

NOTICE OF REDEMPTION
To the Holders of

RPM Finance, N.V.

8 1/4% Convertible Subordinated Debentures due June 28, 1993
Guaranteed as to Payment of Principal, Premium, if any, and Interest by RPM, Inc.

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Fiscal, Conversion and Paying Agency Agreement dated as of June 26, 1983 among RPM Finance, N.V. (the "Company"), RPM, Inc. (the "Guarantor") and The Chase Manhattan Bank, N.A. (the "Fiscal Agent"), all of the Company's 8 1/4% Convertible Subordinated Debentures due June 28, 1993 (the "Debentures") will be redeemed on May 28, 1986 (the "Redemption Date") at a redemption price of 104% of the principal amount thereof together with accrued interest to the Redemption Date (the "Redemption Price").

On the Redemption Date, the Redemption Price will become due and payable on each such Debenture and, upon presentation and surrender of the Debenture, and in the case of Bearer Debentures with all coupons appertaining thereto maturing after the Redemption Date, the Redemption Price will be paid. On and after the Redemption Date, interest on the Debentures will cease to accrue.

Coupons maturing prior to the Redemption Date should be detached and presented for payment in the usual manner. Accrued interest to the Redemption Date will be paid in the amount of \$34,375 per \$1,000 principal amount of Debentures.

Debentures should be presented and surrendered for redemption as follows:

Bearer Debentures

The Chase Manhattan Bank, N.A. Chase Manhattan Bank, Luxembourg S.A.
Woolgate House, Coleman Street Coin Blvd. Royal & Grand Rue
London EC2P 2HD, England CP240
Luxembourg, Luxembourg

Chase Manhattan Bank (Switzerland)

63 Rue du Rhône
P.O. Box 476
1204 Geneva, Switzerland

Registered Debentures

The Chase Manhattan Bank, N.A.
Corporate Bond Redemptions
Box 2020
1 New York Plaza—14th Floor
New York, New York 10081

CONVERSION OF DEBENTURES INTO COMMON SHARES

The Debentures may be converted into Common Shares of the Guarantor at the adjusted conversion rate of 177.160494 Common Shares for each \$1,000 principal amount of Debentures. To exercise the conversion privilege, the holder must surrender his Debenture (with the June 28, 1986 and subsequent coupons attached, in the case of Bearer Debentures) along with a written conversion notice (the form of which appears on the reverse of each Debenture) as follows:

Bearer Debentures

The Chase Manhattan Bank, N.A. Chase Manhattan Bank, Luxembourg S.A.
Woolgate House, Coleman Street Coin Blvd. Royal & Grand Rue
London EC2P 2HD, England CP240
Luxembourg, Luxembourg

Chase Manhattan Bank (Switzerland)

63 Rue du Rhône
P.O. Box 476
1204 Geneva, Switzerland

Registered Debentures

The Chase Manhattan Bank, N.A.
Box 2020
1 New York Plaza—14th Floor
New York, New York 10081
Attention: Bond Conversions

SUCH CONVERSION RIGHTS WILL TERMINATE AT THE CLOSE OF BUSINESS ON MAY 23, 1986.

BASED UPON CURRENT PRICES, THE MARKET VALUE OF THE SHARES OF COMMON STOCK INTO WHICH THE DEBENTURES ARE CONVERTIBLE IS GREATER THAN THE REDEMPTION PRICE (AND ACCRUED INTEREST) OF THE DEBENTURES SO LONG AS THE MARKET PRICE OF THE COMMON STOCK EXCEEDS \$13.93. A DEBENTUREHOLDER WOULD RECEIVE, UPON CONVERSION OF DEBENTURES, COMMON STOCK AND CASH IN LIEU OF A FRACTIONAL SHARE HAVING A GREATER MARKET VALUE THAN THE CASH WHICH SUCH HOLDER WOULD RECEIVE IF HE SURRENDERED HIS DEBENTURES FOR REDEMPTION.

RPM Finance N.V.
By: The Chase Manhattan Bank, N.A.
as Fiscal Agent

Dated: April 8, 1986

EUROPEAN NEWS

West Germany and Poland hope visit will ease relations

BY RUPERT CORNWELL IN BONN

WEST GERMANY and Poland are hoping for a useful improvement in the long fraught relations between the two countries, as a result of the current visit here by Mr Marian Orzechowski, the first to Bonn by a Polish Foreign Minister for six years.

Mr Orzechowski, who arrived on Sunday afternoon, held talks yesterday with both Mr Hans-Dietrich Genscher, his West German opposite number, and Chancellor Helmut Kohl. Before he returns to Warsaw tomorrow he will also meet President Richard von Weizsäcker as well as political leaders, including Mr Franz Josef Strauss of the conservative Bavarian CSU party.

Ties between Bonn and Warsaw have been prickly or worse ever since the proclamation of military law in Poland in December 1981, announced with devastatingly embarrassing timing—just as the then Chancellor Helmut Schmidt was completing a visit to East Germany.

The clampdown on Solidarity, the independent Polish trade union, was followed by a sustained propaganda campaign from Warsaw against West Germany which in turn contributed to the abrupt cancellation of the return trip planned here in September 1984 by Mr Erich Honecker, the East German leader.

Shortly afterwards Mr Genscher called off at the last moment a visit of his own to Warsaw, amid a row ostensibly over his desire to lay a wreath at the grave of Father Jerzy Popielusko, the Solidarity priest murdered by Polish security officials.

But the dispute also reflected intense Polish irritation at suggestions by right-wing politicians here that West Germany might one day regain territories lost to Poland after the Second World War.

After reaching a crescendo last year, Warsaw's criticism of West German "revanchism" and "militarism" has now subsided and the first concrete evidence of an easier climate came last month when Bonn agreed to resume official export credit guarantees to Poland which had been suspended in the wake of military rule.

Mr Orzechowski, who will be meeting Mr Martin Bangemann, the Economics Minister, hopes to build on this by securing renewed West German help for the modernisation of Polish industry—and at the same time boost the standing in the West of the Jaruzelski regime.

Bonn, too, has much to gain from a successful stay here by the Polish Foreign Minister. Better relations with Warsaw would be a flip for the Ostpolitik of the present centre-right coalition, and could lead to an increase in the number of ethnic Germans permitted to leave Poland for the West.

Not least, tacit endorsement by Poland—for historical reasons ever hostile to anything which might be portrayed, however improbably, as a step towards German reunification—is a key prerequisite to a visit here by Mr Honecker. Both Bonn and East Berlin are keen that this much delayed trip should now come about, possibly within the next three months.

Romanians suffer in silence

BY LESLIE COLTIT, RECENTLY IN ROMANIA

OUTWARDLY ROMANIA in its fifth year of worsening deprivations resembles Poland in 1979, just before the strike wave which created the Solidarity free trade union—but there the similarity ends.

Romanians grumble in endless queues for meat, cheese and butter but remain acquiescent. No organised opposition exists and Eastern Europe's most efficient security apparatus sees to it that none arises.

President Nicolae Ceausescu appears secure in the knowledge that after 21 years in power he has no known rival. The West continues to support him in spite of mounting criticism of Romania's human rights record, said to be the worst in Eastern Europe.

This vital support is largely based on Mr Ceausescu's use of Romania's non-strategic location to challenge the authority of Soviet leaders.

Romania built a heavy industry base in defiance of Soviet plans for it to feed the industrialised rest of Eastern Europe. Then it openly criticised the Soviet Union's invasion of Czechoslovakia in 1968. This was not out of sympathy for reforming communism in Prague but because Moscow's "proletarian internationalism" also threatened Romania's relative independence.

Romania also objected when Soviet troops moved into Afghanistan and sent its athletes to the Los Angeles Olympic Games in 1984 in defiance of Moscow's boycott of the event. Mr Ceausescu has also refused to commit Romanian troops to Warsaw Pact manoeuvres.

During the recent Soviet Communist Party Congress, Mr Ceausescu underscored his unique role by leaving Moscow a week before other East European leaders. Ro-

manian newspapers ran only a heavily edited version of the keynote speech by Mr Mikhail Gorbachev, the Soviet leader, without a photograph.

Such dissenting behaviour earned the Romanian leader enthusiastic receptions at the White House and Buckingham Palace. The skill of the peasant son from Oltenia lay in projecting a powerful foreign policy voice from a poor and not very important Balkan country.

At home however, the central command economy which allowed Romania to drag its population into the 20th century has revealed serious imbalances and gaping cracks. Sprawling new steel and petrochemical industries are depleting hard currency reserves by devouring imported coal and iron ore as well as oil from the Middle East.

Agriculture has been seriously neglected in the rush to produce ships, planes, machines tools and computers. Plans for highly mechanised collective farms using chemical fertilisers have been aborted and even the Communist Party is suggesting that more horse-drawn carts should be used on the farms.

But Romanian officials insist that economic growth targets—twice as high in recent years as results—must remain lofty to transform Romania from a developing country into a "medium developed" one by the 1990s.

Visitors are told that motivated Romanian workers are voluntarily buying "social shares" in their factories ranging from Lei 1,000 (\$78) to Lei 50,000 (the average monthly wage is Lei 3,000) and yield 6 per cent to 8 per cent interest depending on company earnings.

Virtually the only audible Romanian critic of the country's leadership, Mr Mihail Botz says the country desperately needs debate "rather than cheering" and recognition of reality.

The 45-year-old mathematician maintains that officials who object to unrealistic planning targets are replaced by others who claim they can be attained. This in turn makes everyone vulnerable as they are "forced to be" to conceal non-fulfilment of the goals.

He says that those at the top know they are being lied to but utilise the system to suppress criticism.

Mr Botz, who was relieved in 1979 as head of Romania's Institute for Future Studies, believes he has been spared imprisonment because of "influential political friends" in Washington.

Romania is increasingly being criticised in the West for allegedly persecuting fundamentalist Christian denominations as well as for its record on detention of political and religious dissidents. A new unpublished decree to curb contacts by Romanians with foreigners is seen as enhancing the role of the already all-pervasive internal security service.

However, until now the West has chosen to reward Romania economically for its independent stance towards Moscow and for allowing many of its Jewish and Gypsy minorities to emigrate.

However, US policy toward Romania has recently undergone a shift. Mounting criticism of Romania in the US Congress and among senior American diplomats is clearly worrying Bucharest.

Strikes against austerity policy disrupt Greece

BY ANDRIANA IERODIACONOU IN ATHENS

OLYMPIC AIRWAYS domestic and international flights were cancelled yesterday and many shops in Athens remained closed as workers and small businessmen in 30 towns around Greece staged a 24-hour strike against the Socialist Government's economic austerity policy.

The action also disrupted public services, including transport and banks, in the capital.

The Labour Ministry said the strike action, which was backed by militant left and right wing trade unions was illegal and unreasonable.

According to the organisers, close to 1m workers responded to the strike call.

West Berlin reshuffle

BY OUR BERLIN CORRESPONDENT

MR EBERHARD DIEPGEN, the Christian Democrat (CDU) Mayor of West Berlin, yesterday announced key members of his new government in a reshuffle forced on him by an urban corruption scandal.

The opposition Social Democrats (SPD) called for a vote of no confidence in him, claiming the reshuffle could not restore the city's reputation.

The SPD, however, does not have enough seats on the city assembly to form a government.

Mr Diepgen's controversial deputy, Mr Heinrich Lammer, resigned

and is to be replaced by the head of the education department, Dr Hanna-Renate Laurien. Mr Lammer admitted to paying DM 1,000 (\$418) to a right-wing group in 1971 allegedly to prevent it from entering the city election.

The main scandal, however, centres on charges of bribes paid by builders to city officials in order to obtain favours.

Mr Lammer also headed the internal security department, a post to be assumed by Dr Wilhelm Kewenig, the head of the city's science and technology department.

FINANCIAL TIMES
Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and its members of the Board of Directors: F. Böhler, R.A.F. McClean, G.T.S. Davis, M.C. Gorman, D.E.P. Palmer, London.
Printed by Frankfurt-Verlagsgesellschaft Drucken-GmbH, Frankfurt/Main.
Responsible editor: C.E.P. Smith, Frankfurt/Main, Goldschmidtstrasse 54, 6000 Frankfurt am Main 1.
The Financial Times Ltd. 1986.
FINANCIAL TIMES: USPS No. 109948, published daily except Saturdays and holidays. US subscription rates \$265.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 24 East 99th Street, New York, N.Y. 10022.

The Ebic banks: your partners in financial circles

Strength. Reliability. Innovation. Experience. Important considerations when you're choosing a bank. Ebic brings together seven such banks. Seven major, European banks with assets of some \$400 billion. Seven banks with 10,000 branches, subsidiaries, associates and joint ventures throughout the world. Seven banks that have been co-operating for a quarter of a century.

ebic
European Banks International

EUROPE'S MOST EXPERIENCED BANKING GROUP.

Latest prices:

Mindful that share prices can vary daily, we are publishing a bulletin showing the value of our offer for Imperial. The value we've quoted is based on our best possible offer. The next closing date of our offer is April 11 at 3 pm.

IMPERIAL SHARE PRICE:
356.0P.

HANSON BID WORTH:
372.5P.

HANSON BID HIGHER BY:
+ 16.5P.

Figures based on the market price at 3.30pm on Monday.

HANSON TRUST

Handwritten signature or scribble at the bottom left of the page.

EUROPEAN NEWS

Major industrial conflict likely in Sweden

SWEDEN MOVED yesterday to the brink of a serious industrial conflict when the PTK white collar union... SAJ also held up agreement between the employers and LO...

IEA sees 14.9m b/d demand for Opec oil

DEMAND FOR crude from member states of the Organisation of Petroleum Exporting Countries in the second quarter of 1986 is likely to be less than 15m barrels a day...

THE EMS REALIGNMENT

French industry hails devaluation

BY OUR PARIS STAFF
FRENCH INDUSTRY gave a generally warm welcome yesterday to the weekend devaluation of the French franc and more particularly to the Government's phased lifting of price and foreign exchange controls.

ing of the domestic tax on petroleum products. Such a move had initially been favoured by Mr Jacques Chirac, the Prime Minister, as enabling the Government to Channel some of the windfall gains from declining oil prices to a reduction in corporate taxes.

ing on details of the planned public expenditure cuts which they said would cause "much pain". The Government wants to eliminate the budget deficit in three years—excluding interest on the state debt which currently amounts to about FF: 100bn a year.

Austria to ask UN for files on Waldheim

BY Patrick Blum in Vienna
THE Austrian Government will request access to files held by the United Nations on Dr Kurt Waldheim, a former UN Secretary General and candidate in Austria's presidential election, in a bid to clear the row over allegations about his past.

Italian business fears for competitiveness

BY JAMES BUXTON IN ROME
ITALY'S DECISION not to follow France in lowering the central parity of the lira in the EMS has won respect from Italian economists but aroused misgivings among business men.

of payments this year, following the fall in the oil price, and has given precedence to the need to keep the Italian inflation rate on its downward path.

complained, adding that the Italian attitude towards capital movements was based on antiquated ideas about mercantilism: namely that capital inflows enrich and capital outflows impoverish Italy.

World Bank backing for Turkish economic policies

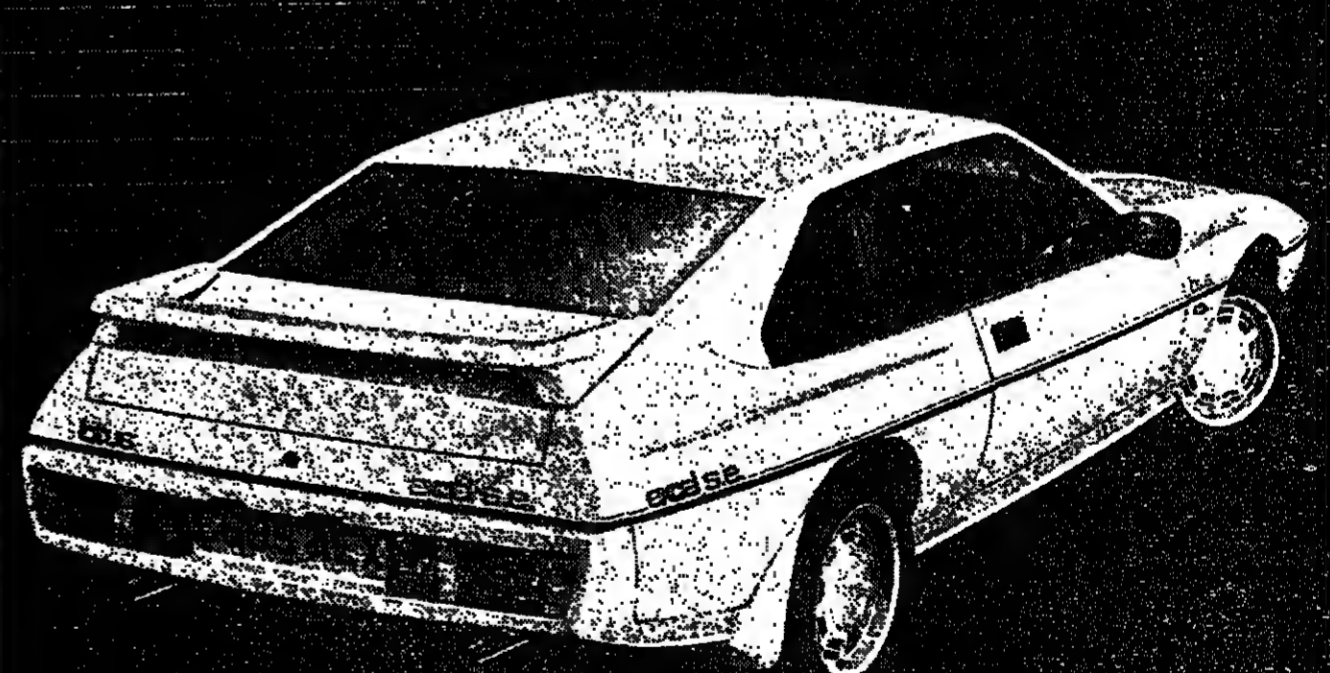
BY DAVID LENNON
TURKEY WON a vote of approval for its economic policies yesterday when the World Bank signed its first-ever co-financing loan agreement with the Ankara government.

The Japanese loan, signed in Tokyo on April 2, will have five years' grace and a 12-year final maturity. The commercial portion will be for 10 years.

TEST DRIVE THE NEW LOTUS EXCEL SE AT:

- AVON Bristol Motor Company Limited, 55 Victoria Street, Bristol, 0272 266491
BERKSHIRE Mike Spence Limited, School Green, Reading, 0734 864545
BUCKINGHAMSHIRE Station Garage, Station Road, High Wycombe, 0494 5553
CAMBRIDGESHIRE Marshall, Victoria Road, Cambridge, 0223 247211
CHESHIRE (CWYD) Henry's of Chester, 157/159 Foregate St, Chester, 0244 313701
DERBYSHIRE Peter Smith Sports Cars, Station Road, Hinton, 0283 813293
DEVON/CORNWALL A. & R. New Limited, New Bridge Street, Exeter, 0323 25221
EDINBURGH Victor Wilson Ltd, 78/82 Haymarket, Edinburgh, 01 537 8378
ESSEX Briggs Motors (Essex) Limited, Bridge House, Bocking, Saffron Walden, 0374 41779
GLAMORGAN White Dove Garage Ltd, Plasnewydd, Penarth, 0493 64262
GLASGOW Ritchie, 280 Sauchiehall Rd, Glasgow G14, 041 429 5471
GREATER MANCHESTER Beaver Motors (South) Limited, 241 Winslow Road, Rusholme, Manchester, 061 224 7794
GUERNSEY British & Guernsey Garage Limited, South Side Street, St Sampson's, 0481 45841
HAMPSHIRE Paul Handford (AE) Limited, Newgate Lane, Fareham, 0252 282811
HEREFORDSHIRE British & Guernsey Garage Limited, South Side Street, St Sampson's, 0481 45841
HANTS Paul Handford (AE) Limited, Newgate Lane, Fareham, 0252 282811
HEREFORDSHIRE British & Guernsey Garage Limited, South Side Street, St Sampson's, 0481 45841
HULLS Peter Smith Sports Cars, Station Road, Hinton, 0283 813293
LINCOLNSHIRE/STURTONS Lincoln, 33/35 La Motte St, St Helier, 0534 31341
LEICESTER Storm of Leicestershire Limited, 15 The Nook, Anney, 0533 562037
LONDON Lotus Limited, Centre Limited, Ballsbridge Park, Ballsbridge Park, 01 952 6171
LONDON Mann Egan & Co Limited (Sales), 14 Berkeley Square, London W1, 01 499 8242
NEWCASTLE Hill Sports Car Centre, 150-152 New Bridge Street, Newcastle upon Tyne NE1, 0232 454514
NORFOLK Norfolk Motor Co., 20-24 Stephenson Rd, Norwich, 0603 407766
NOTTINGHAMSHIRE Lotus in Nottingham, Centre Hill Garage, Plains Road, Mapperton, 0602 263341
STAFFORDSHIRE Rankins (CAR.S. Co) Limited, Campbell Road, Stoke on Trent, 0782 49561
SURREY C&M Ltd, Epsom Road, West Hoveley, New Lambrook Road, 0485 4671
WEST MIDLANDS Calsons Depart Ltd, 979 Stratford Road, Hill Green, Birmingham, 021 775 2323
WILTSHIRE Wiltshire Specialist Cars, Cranford Road, Marlborough, 06662 2309
WYOMSHIRE Prancing Horse (Gleaze) Limited, Killyburn, Muddifield, 0494 660687

HOT OFF THE LOTUS TEST TRACK (Now take it round yours)



Everytime one of the new 1986 Lotus Excel SE's (or indeed any Lotus) passes out of our factory gates, you know it has passed the ultimate test. The Lotus driving team. On at least 3 road tests.

And it's thumbs up only when these critical men are satisfied that the car performs like a Lotus should; that the three months of meticulous building and hand finishing have come together in what 'CAR' magazine describes as 'a special quality of handling... a driving characteristic you just don't find reproduced in other machines'.

STATUTORY SICK PAY RULES DO YOU KNOW ALL ABOUT THE CHANGES? If not, you should find out more about the special training - from PMSL Mentor. Who are PMSL Mentor? A member of the Provident Financial Group, and a leader in computer based training...

LOTUS excel se.

OVERSEAS NEWS

Peres cabinet crisis may force general election

BY ANDREW WHITLEY IN JERUSALEM

ISRAEL teetered on the verge of fresh national elections yesterday, as the Likud-Labour partner in the coalition National Unity Government refused to accept Prime Minister Shimon Peres' demand that Mr Yitzhak Moda'i, the Finance Minister, be dismissed.

Sparting between the Finance Minister, the architect of the government's economic austerity programme, and the Labour alignment, has been growing for weeks. But matters came to a head in recent days with an unusually strong attack on the Labour Prime Minister by Mr Moda'i.

With a hand-over of the Prime Ministership to Mr Yitzhak Shamir, the Likud leader, due in six months' time, Labour activists have been pressing Mr Peres to seek a pretext to break the rotation agreement and either set up a narrow-based government based on the support of the smaller parties or else call fresh general elections.

First indications yesterday however were that the small religious parties — the swing factor in any coalition government in Israel — are not prepared to back a new Labour-led government excluding the Likud.

Thus, if deadlock remains between the Prime Minister's insistence that this time Mr Moda'i has gone too far, and Mr Shamir's refusal to accept the Labour leader's authority to

dismiss a Likud-nominated minister, political commentators agree that the most likely outcome is new elections.

Yesterday afternoon Mr Peres was in consultation with the religious parties to sound out their willingness to break ranks with their natural allies in Likud. Labour and Likud party caucuses meanwhile weighed up their options as they eyed opinion polls showing an enormous popularity rating for Mr Peres.

Taking an unexpectedly strong stand, Mr Shamir, who is both Deputy Prime Minister and Foreign Minister in the Peres Government, was reported as saying that the government will have to be dissolved if Mr Peres persists with

his demand that Mr Moda'i has to go.

In contrast, the Prime Minister — concerned to maintain his newly acquired image as a statesman above short-term party advantage — argued that the National Unity Government could be maintained following the Finance Minister's departure.

The quarrel within the Government over rival claims to the success of Israel's drive to curb inflation and rampant government spending is the most serious in its 18-month life to date.

Yesterday Mr Ezer Weizman, a Labour minister and party elder statesman, said the coalition government appeared to have reached a natural end.



Peres—hanging on



Moda'i—stage centre

Israelis attack bases near Sidon

BY NORA BOUSTANY IN SIDON

ISRAELI fighter-bombers raided five Palestinian guerrilla targets of the southern Lebanese port of Sidon yesterday, scoring direct hits, wounding eight people and triggering the anger of local residents at the presence of military bases in their midst.

A guerrilla commander inspecting a flattened command post on the edge of the Mieh Mieh shanty town overlooking Sidon said the Israeli strike was expected as a retaliation for successful attacks inside Israel.

"We are in a constant state of war," he said defiantly and confirmed an announcement Mr Yassir Arafat, chairman of the Palestine Liberation Organisation (PLO) to escalate guerrilla activity from South Lebanon. The commander refused to comment on whether the latest guerrilla attack on March 31 was launched from bases in Sidon.

As he spoke, fighters hauled out military gear, flak jackets and khaki shoulder bags from the dust-covered debris of a demolished cement structure.

Mr Mahmoud Hannawi, 35, a resident of Mieh Mieh looked around and muttered to himself: "They have ruined our homes."

Another Palestinian fighter, who said he lived nearby, vowed that Israeli raids such as this, the third this year, would not deter him. "We will go on struggling," he shouted. "But

not from between our houses."

His statement, however, unleashed a heated argument with the Palestinian commander who claimed there were no civilians living there when he came.

Palestinian fighters raced around the hills between the refugee camps of Mieh Mieh and Ain Al Helweh in jeeps mounted with anti-aircraft guns. Only two fighters were injured in the 45-minute midday air strike. The rest were civilians.

The reason there were so few casualties even though four Fatah bases and one Popular Front for the Liberation of Palestine bunker was hit, was a new policy of having fighters disperse in the fields at daybreak, one fighter explained.

Takeshita moves to bolster bid for top job

By Jurek Martin in Tokyo

MR NOBORU TAKESHITA, the Japanese Finance Minister, has taken steps to counter the growing belief that he is slipping in the contest to succeed Mr Yasuhiro Nakasone as Prime Minister later this year.

In political speeches here over the weekend before leaving for Washington to attend the International Monetary Fund (IMF) meeting, Mr Takeshita offered to dissolve the political support group he set up 15 months ago to promote his candidacy.

This group, known as Soseikai, has become a faction within the larger faction normally beholden to Mr Kakuei Tanaka, the former Prime Minister, who has been disabled by a stroke since February last year.

About two-thirds of the 122 members of the Diet who comprise the Tanaka faction are sympathetic to Mr Takeshita, his inability to convert the rest is, according to the logic of Liberal Democratic Party politics, a sign of weakness and thus a drag on his ambitions.

A dissolution of Soseikai would be seen as an appeal for the whole faction to unite behind his candidacy. Mr Takeshita even said that he was willing to allow his arch intra-factional rival, Mr Susumu Nakai, to assume temporary leadership of the Tanaka forces.

In recent weeks, Mr Shintaro Abe, the Foreign Minister, appears to have pulled ahead of Mr Takeshita, principally because of the latter's factional problems.

The third of the "new leaders," Mr Kiichi Miyazawa, has been aggressively advocating his programme for greater economic stimulus, but is hamstrung by the fact that the LDP makes its assessments more on the basis of personality than policies.

It remains unclear whether Mr Nakasone will get his way and succeed in engineering a fully fledged general election in June.

At present only the Upper House vote is on the calendar, but over the weekend all the contenders were warning their supporters to be ready for a June election.



Aides shelter South Korean President Chun Doo Hwan and his First Lady from the London weather on their arrival yesterday at the start of a four-nation European tour.

Chun in UK to start first European tour

BY STEVEN B. BUTLER, SEOUL CORRESPONDENT

MR CHUN DOO-HWAN, the South Korean President, yesterday arrived in London to start a European tour aimed at strengthening commercial and other ties with the European Community.

Mr Chun's tour to London, Bonn, Paris, and Brussels marks the first-ever official visit of a South Korean head of state to Europe.

Economic ties between South Korea and the EEC have grown fast over the past decade. Last year trade between Korea and the Community reached \$5.9bn (£4.1bn).

Mrs Thatcher, the British Prime Minister, will visit South Korea in early May, prior to the economic summit in Tokyo. Mr Chun has brought with him over 30 senior Korean business executives as well as Mr Kim Mahn-je, the deputy Prime Minister for Economic Planning. Meetings are planned today with British business leaders, with a focus on promoting technological co-operation.

Mr Chun's EEC tour comes to a time when the challenge to

Mr Chun's authority at home has reached a new peak. Thousands of government opponents are reported to have rallied in the city of Taejeon on Saturday, calling for democratic reform of the constitution.

Mr Chun has repeatedly refused to consider constitutional amendment until after he leaves office in 1988. The opposition has denounced Mr Chun as a "military dictator" as he came to power in 1980 in a military coup.

The European visit, however, is not an issue in Korea. European embassies obtained informal assurances from opposition leaders that they would not act to undermine the success of Mr Chun's tour.

Mr Chun will also seek to strengthen European understanding of and support for South Korea's difficult security problems, as well as to obtain a reaffirmation of European support for the 1988 Seoul Olympic games.

Brighter economic outlook, Page 14

Egypt quietly strengthens ties with Moscow

BY TONY WALKER IN CAIRO

EGYPT and the Soviet Union are cautiously extending the range and scope of their economic and political contacts in a move seen here as part of an attempt by Cairo to balance its relations with the US.

Egyptian officials say, however, that the recent flurry of exchanges between Cairo and Moscow should not be regarded as a sign that Egypt wants to loosen its close ties to the West, which provides the bulk of its foreign aid and technical assistance.

Egypt and the Soviet Union treated each other warily after Jugoslav relations to ambassadorial level in 1984 following a break of three years. But in early 1986 there has been a rash of senior Soviet visitors to Cairo.

The latest is Mr Vladimir Polyakov, director of the Middle East Department at the Soviet Foreign Ministry, who held discussions over the weekend with Egyptian officials, including Dr Osama al Baz, head of President Hosni Mubarak's political office.

Western observers say Cairo has several motives for wanting an improvement in ties with

Moscow. These include:

- Economic benefits that might accrue from closer commercial relations at a time when Egypt is in serious financial difficulties.
- A desire to give more substance to Egypt's traditional claim that together with India it is one of the leaders of the non-aligned movement.
- A belief that if there is to be any progress towards Middle East peace the Soviet Union must be involved.
- A wish to improve the dialogue with Moscow as a counterweight to close Soviet links with Syria and Libya, Egypt's arch enemies in the Arab world.

Increased contacts between Cairo and Moscow followed the forcing down last October by US jets of an Egyptian Boeing 747 carrying the Palestinian hijackers of an Italian cruise liner, the Achille Lauro.

That episode provoked anti-American demonstrations on Egyptian campuses. President Mubarak openly criticised the US and relations between Cairo and Washington cooled momentarily.

Western observers say Cairo has several motives for wanting an improvement in ties with

market rate of the Egyptian pound, which is almost equal to that presently used to determine the value of trade between the two countries through a special British sterling account.

The two sides agreed in principle last year that it was desirable to apply a free market rate in future transactions. However, an Egyptian trade official said this week that progress towards such an arrangement would be gradual.

Another problem remains Egypt's large military debt to the Soviet Union said to have totalled between \$3.4bn in 1977, when repayments were suspended. There has been some discussion about Egypt resuming payments, but little progress has been made.

Egyptian-Soviet relations were seriously dislocated during the presidency of Mr Anwar Sadat. In 1972 he expelled more than 15,000 Soviet advisers. In 1976 he abrogated a treaty of friendship and co-operation and 1981 he expelled the Soviet ambassador and members of his staff.

The DnC Group. Banking that helps you realize good ideas.



DnC — market maker in 25 currencies.

A bank's success on the international market is not determined by its nationality. On the contrary, it's the bank's level of internationalization that is decisive. And that depends on the bank's know-how, specialization and creativity. DnC's international orientation and a deliberate concentration on international activities has placed us amongst the leading foreign exchange banks in the world. We are market makers in 25 different currencies, and are able to participate actively in

all foreign exchange trading and international project financing.

DnC — a name worth remembering.

DnC is the emblem of Norway's leading bank, Den norske Creditbank. In order to establish the DnC group identity worldwide — those wholly owned banks and offices which previously did not bear the DnC name have changed their name during the early part of 1986. Our strength lies in our know-how and creativity. In all areas of international banking and corporate finance. The DnC Group — where good ideas can be realized.

Nordic Bank PLC has therefore changed its name.

We are part of Den norske Creditbank — known around the world as DnC — Norway's leading bank. Effective 1 January 1986 our name is: Den norske Creditbank PLC.

Den norske Creditbank PLC
London



Did you know that one of the leading foreign exchange banking groups in the world is Norwegian-based?

Head office:	Wholly owned subsidiaries:	Branch:					
OSLO: Den norske Creditbank Kjellerstr. 21 Phone (02) 48 10 50	AMSTERDAM: DnC Ship Mortgage International Bank N.V. Keizersgracht 530 534 Phone: (20) 22 29 12	HONG KONG: DnC Limited Two Exchange Square 16th Floor Phone: 526 59 26	HOUSTON: Den norske Creditbank Finance Corporation 1550 Main, Suite 2770. Phone: (713) 757 12 51	LONDON: Den norske Creditbank PLC 21 St. Dunstons Hill Phone: (01) 621 1011	LUXEMBOURG: Den norske Creditbank (Luxembourg) SA 21, Bd. de Prince Henri, Phone: 21 01	NEW YORK: DnC America Banking Corporation 600 Park Avenue, Phone: (212) 315 6501	SINGAPORE: Den norske Creditbank, Singapore Branch 2201 Raffles House, 5 Raffles Way Phone: 226 8144

Representative offices: Beijing, Cairo, Dallas, Düsseldorf, Göttingen (open to operate as subsidiary May 1986), Hamburg, Hong Kong, Houston, Osaka, Rotterdam, San Paulo, Sydney and Tokyo. Consultants: Bangkok, Jakarta and Lagos.

Handwritten signature or note at the bottom of the page.

11 8 1986
start
tour
OSCOW

Imperial Shareholders: The United Biscuits offer has the unanimous recommendation of your Board.

You have only three days left to accept it.*



Please complete your white United Biscuits acceptance form and make sure you post it in time to be received by 3:00 pm this Friday, 11th April 1986.

If you are in any doubt how to complete the form, ring our Help Line on 0272 666961 and reverse the charges.

And if you would like to hear your Chairman, Mr. Geoffrey Kent, explain why the Imperial Board unanimously recommend the UB offer, please ask the operator for Freephone Imperial Group.



DAYS LEFT TO ACCEPT UB OFFER ~~10~~ . ~~9~~ . ~~8~~ . ~~7~~ . ~~6~~ . ~~5~~ . ~~4~~ . 3 . 2 . 1

The directors of Imperial Group plc (including those who have delegated detailed supervision of this advertisement) have taken all reasonable care to ensure that the facts and opinions expressed herein are fair and accurate. The directors accept responsibility accordingly. *Unless the offer is then unconditional to acceptances.

AMERICAN NEWS

CIA chief warns of Soviet bid to build bridgeheads

BY REGINALD DALE, US EDITOR IN WASHINGTON

MR WILLIAM CASEY, President Ronald Reagan's controversial director of the Central Intelligence Agency (CIA), has issued a sharp warning that the Soviet Union is stepping up its attempts to secure "bridgeheads" around the world to build a strategic balance against the West.

Latin American ministers extend peace talks

LATIN AMERICAN foreign ministers yesterday extended peace talks on Central America, Reuters reports from Panama City.

Bush comments reveal oil policy confusion in US

BY WILLIAM HALL IN NEW YORK

IS VICE PRESIDENT George Bush, a former Texas oil man peddling the official US Administration line on oil prices? This is the question uppermost in the minds of the world's oil traders as they monitor the confusing signals coming out of Washington and the Middle East.

White House spokesman commenting on the Vice-President's Middle East trip yesterday, said "there is not even a grey area between the President's position and the Vice-President's position on declining oil prices."

Mr Baker, however, remains under pressure from Congress to produce evidence that the dollar's fall is beginning to reverse the huge US trade deficit, and there are suspicions among many officials that he will soon begin to press for a further decline in the US currency value.

Mr Baker, however, remains under pressure from Congress to produce evidence that the dollar's fall is beginning to reverse the huge US trade deficit, and there are suspicions among many officials that he will soon begin to press for a further decline in the US currency value.

Government in markets would be forced to wrestle with the problem as we look at the national security effects plus regional economic recession."

Philip Stephens reports on this week's meetings at the International Monetary Fund

Developed world may rest on its laurels

IT IS difficult to escape the mood of self-congratulation among governments of industrial countries as this week's series of meetings at the International Monetary Fund (IMF) get underway.

FORECASTS FOR ECONOMIC GROWTH (GNP annual percentage change)

Table with columns for 1986, 1987, 1988, 1989 and rows for Industrialized world, Japan, West Germany, US.

IMF predicts that economic growth in the industrialized world will average 3 per cent or slightly more both this year and next.

for 1986 and 1987 respectively. They remain far from convinced that the Baker initiative unveiled at last autumn's IMF meeting in Seoul will bring a significant improvement in their debt-service capacity.

At the same time the prospects for West Germany may not be as optimistic as current trends suggest.

Argentina has announced the first changes to its nine-month-old austerity package, the Austral Plan.

Argentine austerity plan altered

By Our Buenos Aires Correspondent ARGENTINA has announced the first changes to its nine-month-old austerity package, the Austral Plan.

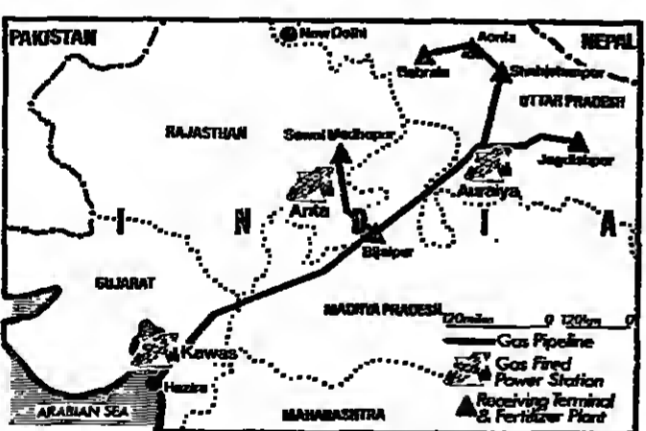
WORLD TRADE NEWS

CONTRACT BATTLE ENDS IN LAST-MINUTE PRICE CUTS

French win India pipeline order

BY JOHN ELLIOTT IN NEW DELHI

A FRENCH-JAPANESE consortium was yesterday awarded a \$600m (£428m) contract by the Indian Government to build a 1,700km cross-country natural gas pipeline.



progetti, Mr Chandra Shekhar Singh, Minister of State for Petroleum, told the Indian parliament that the re-tendering had saved the country Rupees 11n (£3.1bn).

Strong base

The award is the latest of a series of significant contracts won in India by France and Japan and is a major blow for Sonmprogetti of Italy which has a strong base in India and always assumed it would win the contract.

technology for six fertilizer plants being built on the pipeline route has a \$55m-60m turnkey contract to construct one of the plants.

Technology transfer

The remaining 85 per cent of the work will be equally split between NKK and Toyo, with NKK carrying out 40 per cent of the pipe-laying and the cathodic protection, and Toyo being responsible for compressor stations.

Keen fight for power station contracts

BY JOHN ELLIOTT

THE WORLD'S major gas turbine manufacturers are lining up to tender for three combined cycle power stations totalling 1,500 Mw to be built in India at a cost of \$1.28bn (£814m) on the 1,700 km natural gas pipeline.

it was expected that another \$100m-\$150m would be needed in soft loans and credits supplied by the tenderers.

Brown Boveri from West Germany. The 1500Mw is split into 640 Mw at Kawas, Gujarat, at the start of the proposed pipeline near Hazira, 460 Mw at Apta on a spur of the pipeline in Rajasthan and 400 Mw at Aurajais in Uttar Pradesh.

the current closing date of June because the project has yet to receive full approval from the Indian Cabinet.

Keen tendering is expected for the contracts which may mean that the \$485m covers the entire foreign exchange requirements. Under original estimates,

Other expected competitors include Alstom of France which last year won a \$55m contract to supply six 30Mw turbines for the New Delhi electricity supply undertaking, Hitachi or Mitsubishi from Japan, GE from the US, which has recently won turbine orders in India, Fiat from Italy and

The World Bank funding is to be spread across all three power stations, which might be awarded in a single contract to one tenderer. Companies have been invited to bid for one, two or all three stations.

The authority has already started talks with the UK for modernising its Durgapur plant in West Bengal which is ahead of Burnpur in the list of its priorities. Funding for modernising a third plant, at Rourkela, is being discussed with the World Bank.

UK shares in new Singapore metro deal

By Chris Sierwell in Singapore

GAMMON Hong Kong, a joint venture between Transrail of the UK and the Singapore Government, has won another contract worth \$896.2m (£307m) for work on Singapore's Mass Rapid Transit (MRT) metro project.

Norway rejects bid to compete with SAS

NORWAY has turned down an attempt by a non-Government carrier to begin international air traffic in competition with Scandinavian Airlines System (SAS), half of which is owned by the Norwegians.

EEC approves law on Spain and Portugal trade practices

BY MAGGIE FORD IN BRUSSELS

COUNTRIES or companies in the European Community which believe that unfair trade practices involving Spain or Portugal are taking place will be able to take action under new legislation approved by the EEC Council of Ministers.

Norway rejects bid to compete with SAS

NORWAY has turned down an attempt by a non-Government carrier to begin international air traffic in competition with Scandinavian Airlines System (SAS), half of which is owned by the Norwegians.

after difficulties caused by the lack of regulations following Greece's accession in 1981.

Norway rejects bid to compete with SAS

NORWAY has turned down an attempt by a non-Government carrier to begin international air traffic in competition with Scandinavian Airlines System (SAS), half of which is owned by the Norwegians.

Mr Willy De Clercq, the External Relations and Trade Commissioner, said the Commission had asked the new Spanish Government for information about its imports of New Zealand meat and wool.

Norway rejects bid to compete with SAS

NORWAY has turned down an attempt by a non-Government carrier to begin international air traffic in competition with Scandinavian Airlines System (SAS), half of which is owned by the Norwegians.

Belgrade's balancing act in fresh phase

BY ALEKSANDAR LEBI IN BELGRADE

YUGOSLAVIA'S commercial balancing act has entered a fresh phase with the recent conclusion of pacts calling for a 14 per cent increase in total trade with the seven European members of Comecon over the next five years.

Norway rejects bid to compete with SAS

NORWAY has turned down an attempt by a non-Government carrier to begin international air traffic in competition with Scandinavian Airlines System (SAS), half of which is owned by the Norwegians.

Isuzu to lower price of cars for sale in US

By Yoko Shibata in Tokyo ISUZU IS TO lower by 5 per cent the yen-dominated price of the cars it supplies to General Motors for sale in the US.

Norway rejects bid to compete with SAS

NORWAY has turned down an attempt by a non-Government carrier to begin international air traffic in competition with Scandinavian Airlines System (SAS), half of which is owned by the Norwegians.

Norway rejects bid to compete with SAS

NORWAY has turned down an attempt by a non-Government carrier to begin international air traffic in competition with Scandinavian Airlines System (SAS), half of which is owned by the Norwegians.

Norway rejects bid to compete with SAS

NORWAY has turned down an attempt by a non-Government carrier to begin international air traffic in competition with Scandinavian Airlines System (SAS), half of which is owned by the Norwegians.

Table: YUGOSLAVIA'S TRADE WITH COMECON. Columns: Agreed 1981-85, Actual 1981-85, Agreed 1986-90. Rows: Comecon Europe, USSR, Czechoslovakia, East Germany, Poland, Hungary, Romania, Bulgaria.

Table: YUGOSLAVIA'S TRADE WITH COMECON. Columns: Agreed 1981-85, Actual 1981-85, Agreed 1986-90. Rows: Comecon Europe, USSR, Czechoslovakia, East Germany, Poland, Hungary, Romania, Bulgaria.

Table: YUGOSLAVIA'S TRADE WITH COMECON. Columns: Agreed 1981-85, Actual 1981-85, Agreed 1986-90. Rows: Comecon Europe, USSR, Czechoslovakia, East Germany, Poland, Hungary, Romania, Bulgaria.

18 1988

entire
erity
altered

WE'VE YET TO FIND AN INVESTMENT OPPORTUNITY THAT'S TOO CHALLENGING.

At 3i we love a challenge.

Which is why we're prepared to accept a
higher level of risk than most.

And we're just as willing and able to help the
£500 million company as those starting up.

For very good reasons.

First, it is our own money we invest.

Secondly, we have industrial as well as financial
skills—a key factor in judging risk.

And, thirdly, we have imagination.

So perhaps it's not surprising that even the
largest companies call on us for the cornerstone
role we can play.

Yes, we are much more than mere lenders
of money.

We like to see our business as the creation of
wealth. And ourselves as creative.



THE CREATIVE USE OF MONEY

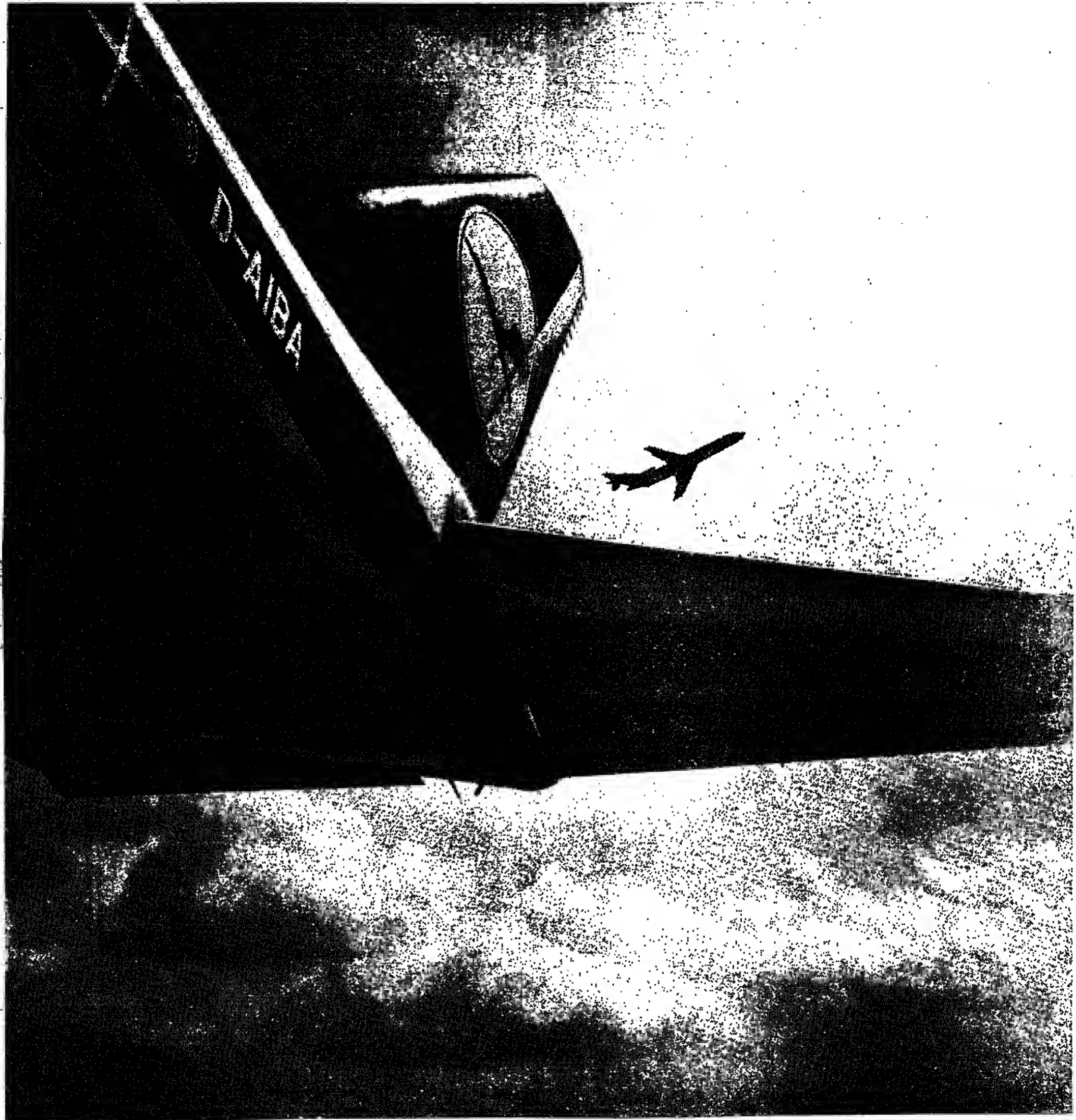


ay April 8 1966

apan

emma

**In business you need partners
you can rely on.**



Lufthansa

UK NEWS

David Fishlock looks at plans to allow irradiation of food

All clear for 'picowaved' menus

A MERRY throng of ministers and senior government officials from 96 nations scoffed deep-fried frogs' legs and shrimps with evident relish at a party in Vienna.

One unusual factor, however, set the occasion apart from most others like it: all the food had been processed with nuclear radiation to ensure no-one would suffer food-poisoning.

Even the orchids decorating Vienna's Hofburg for the occasion had been treated so that no living insects accompanied the blooms from the East.

Britain may soon be holding its own celebration to welcome the arrival of nuclear-processed food, until now available only to laboratory taste panels.

Since 1982 an expert committee set up by the UK Department of Health has been reviewing the evidence of 30 years' research worldwide on the safety of "irradiated" food.

The committee was asked to study the question following a favourable report in 1980 for a UN expert committee drawn from three of its agencies - the World Health Organisation, the Food and Agricultural Organisation and the International Atomic Energy Agency.

The report of the UK committee, headed by Sir Arnold Burgin, mas-

ter of Darwin College, Cambridge, and one of Britain's top medical scientists, is due on Thursday.

Like the UN experts, Sir Arnold has been unable to find any evidence that irradiation of food under the conditions recommended will cause harm.

Nevertheless, as a new application for nuclear energy not previously licensed for use in Britain, government approval of irradiated food is expected to spark fresh public controversy.

Food irradiation is a pasteurising process, carried out at levels of radiation intensity much lower than are already used to sterilise medical goods such as surgical gut and artificial joints implanted in people.

It uses byproducts of nuclear physics to obtain the radiation. They include highly radioactive materials such as cobalt-60 - also widely used as a source of gamma rays in medical diagnosis and treatment - and machines such as electron-beam accelerators.

The radiation, like the popular microwaves used for cooking, is another band of the spectrum of electromagnetic radiation, a million times shorter than microwaves. It raises the food's temperature only a few degrees but is lethal to such toxic organisms as salmonella.

In the US, the Food and Drug Administration, watchdog of public safety for consumables, has proposed the term "picowaved," by analogy with "microwaved," instead of irradiation.

Soon after Sir Arnold's committee convened, the British food industry mounted its own co-operative research programme to help decide where and how it might use the new process. For £500, the 800-old members of the Leatherhead Food Research Association in Surrey can buy a report of the industry's trials on the pasteurisation of a wide range of foods, using both gamma rays and electron beams.

The laboratory has used taste panels to judge any effects on flavour and texture, at different radiation levels - all well below the limit set by the UN experts.

It is, no one will say, Dr Alan Holmes, the director, whose interest in the process dates back to his days as a researcher with Unilever in the 1950s. Milk tastes "tasty," cabbage loses its crispness, celery turns "brown and horrible," grapes become sweeter but lose their texture.

As a general rule, irradiation has problems with foods high in water and fat, such as dairy products and only fish such as herring. The food industry would like to treat cocoa beans at source to kill off any infestation, but so far the taste panels have found a "persistent mustiness

in chocolate made from irradiated beans.

But Dr Holmes's scientists have scored successes - for example, with cheddar cheese, which they now know how to treat for long shelf life without going mouldy.

They have also verified its value in prolonging the freshness and shelf life of many fruits and vegetables, and mushrooms. Asparagus spears also stay straight, and onions and potatoes resist sprouting.

Dr Holmes believes two factors above all will decide whether the food industry adopts irradiation. One is the possible economic advantages of the extra flexibility. A big capital outlay - £1m-£1.5m - is needed to set up a food irradiation facility, although Dr Holmes sees this having the advantage of discouraging "cowboys" who could undermine any merits.

For the housewife, the first clear benefits could be the availability of exotic fruits such as mangoes, papaya and figs almost all year round.

The second decisive factor will be public acceptance when other nuclear activities are constantly in the public eye. Either the British housewife will accept the advantages, as she has accepted the advantages of microwave cooking in spite of scare stories about radiation leaks from ovens sterilising bystanders.

Dishwasher launch loses some sparkle

BRITAIN'S only dishwasher production line will be officially opened tomorrow with the company's management bristling at criticism that the products are not British enough.

The new line is at the Kelvinator factory in Bromborough on the Wirral peninsula in north-west England. The plant was bought from US-owned White Consolidated Industries in 1980 by Candy, Italy's third-largest manufacturer of domestic appliances.

Since then, Candy has increased daily refrigerator output at the plant from 200 to 1,100, and the number of employees has doubled to 400.

A new refrigerator line was laid down last month at a cost of £500,000. This came on top of £250,000 spent on the new dishwasher line, which began turning out machines just before Christmas, creating another 20 jobs.

The plant is assembling 60 dish-

washers a day, but this is expected to accelerate quickly towards 200 during the spring.

The new machines are the first dishwashers to be made in Britain since the home industry became uncompetitive and shut down in the early 1970s. However, the company has faced criticism for being simply an assembler of Italian kits.

Mr Colin Darwen, Kelvinator's marketing chief, said: "That's the only way we could get the line started. We imported everything so as to learn and smooth out assembly problems as quickly as possible. Ever since, we have been continuously replacing more and more bits of the machines with home-made components."

Some parts, such as the outer cas-

Ian Hamilton Fozzy reports on criticism surrounding revival of the UK's dishwasher production line.

ing have been easy to obtain from British sources.

But some parts will never be made in Britain. "When you don't, as a nation, make dishwashers, no one makes the specialised components they need. You can't get things like programme timers in Britain," Mr Darwen says.

For the same reason, the specially formed stainless steel interiors will also have to be imported. But he believes most machines will soon be British, providing jobs among component manufacturers in the UK.

One difficult design problem relates to the plastic-covered baskets in which dishes are stacked. A cultural divide is the culprit.

Mr Darwen says Continental



Arab Bank Limited
The most experienced Arab Bank brings our worlds together

With over 56 years of growth and experience, we are the largest international financial institution in the Arab World. With more than 100 of our branches and affiliated offices all over the world and branches in all the major financial centres, we have created a complete range of services from the simplest funds transfer to the most complex trade and project financing. Our branches and affiliates span four continents: Asia, Africa, Europe and America.

A look at our 1985 figures shows over 13.5 billion U.S. dollars in assets, an increase of over a billion dollars from 1984. Total shareholders equity increased from 473.4 million U.S. dollars to 576.2

million. Also, deposits in 1985 reached 11.1 billion U.S. dollars, an increase of another one billion U.S. dollars from 1984.

Call us at any of our following major centres:

- London (01) 606 7801
- Paris (01) 43 59 34 34
- Zurich (01) 221 3035
- New York (212) 715 9700
- Singapore (65) 533 0655
- Bahrain (973) 25 63 98



Midland Bank Group Treasury deals with high performance.



"Contel IPC worked to extremely tight deadlines. Their responsiveness to our last minute changes ensured we were in business, without a problem, on day one."
—Michael D. Roden, AGM, Group Treasury

We installed our SERIES II Electronic Dealerboard System, with LCD and pagination, at 130 Midland Bank Group Treasury dealer positions, including a combination of 450 exchange and private lines and extensions.

Our SERIES II System combines flexible communications modules, reliable distributed microprocessor architecture and space efficiency to bring high performance and productivity to financial communications.

Pagination capability allows access to 200 lines while reducing space requirements by 67%. Lines can be reassigned in seconds and the MIS package helps you manage line use and cost.

Contel IPC designs, manufactures, installs and maintains financial telecommunications systems.

CONTEL IPC

International Business Centre, 2 London Wall Buildings, London Wall, London EC2M 5PP. Tel: 01-628 4200.

INFORMATION

On behalf of all those business travellers who use their flying time profitably, the Financial Times would like to say thank you to the following airlines for carrying copies all over the world!

Aerolineas Argentinas, Air Afrique, Air Algerie, Air Canada, Air Europe, Air France, Air India, Air Lanka, Aer Lingus, Air New Zealand, Air UK, Air Zimbabwe, Alia Royal Jordanian Airlines, Alitalia, American Airlines, Austrian Airlines, Bangladesh Biman, Birmingham Executive, British Airways, British Caledonian, British Midland Airways, British West Indian, Brymon Airways, Canadian Pacific, Air, Cathay Pacific, Continental, Crossair, Cyprus Airways, Dan-Air, Delta Air Lines, Eastern, Egyptair, El Al, Ethiopian Airlines, Finnair, Ghana Airways, Gulf Air, Iberia, Iceland Air, JAT Yugoslav Airlines, Japan Air Lines, Kenya Airways, Kuwait Airways, KLM, Lufthansa, Luxair, Maersk, Malaysian Airlines, Middle East Airlines, Northwest Orient Airlines, Olympic Airways, Pakistan Airlines, Pan American World Airways, Peoples Express, Philippine Airlines, Qantas, Royal Air Maroc, Scandinavian Airlines System, Sabena, Saudi Arabian Airlines, Singapore Airlines, South African Airways, Swissair, TAAO Angola Airlines, TAP Air Portugal, TWA, Thai Airways International, Tower Air, UTA, Varig Airlines, Viasa, Virgin Atlantic, World Airways, Zambia Airways.

Feel free to ask for your Financial Times.

Handwritten signature or note at the bottom of the page.

Bing-bong!

British Airways

announces

the arrival of

Terminal 4.

If you think advances in air travel don't happen overnight, think again.

Between the last flight on April 11th and the first on the 12th, we'll transfer our Paris, Amsterdam and intercontinental services to the most modern terminal building in the world.

The first thing you'll notice about Terminal 4 is that it's huge: 64 Check-In desks mean less congestion, less queueing.

Avoiding stairs, escalators and lifts you can wheel your trolley direct from car to plane.

There's easy access by road, parking for 3,200

cars, a brand new Underground station and our own fast, frequent bus service to and from Terminal 1 (from which our domestic and other European services will still operate).

British Airways wishes you a pleasant flight through the world's most advanced terminal.

BRITISH AIRWAYS

The world's favourite airline.

Terminal 4 designed and built by the British Airports Authority

UK NEWS

Austin Rover may build Honda Ballade at Longbridge plant

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

AUSTIN ROVER, BL's volume cars company, is likely to start building Honda Ballade cars at its Longbridge plant in Birmingham by the end of year under a subcontract deal with the Japanese company.

The state-owned company sees the deal as an opportunity to get much-needed volume on its under-utilised assembly tracks. Production of the Ballade, Honda equivalent of the present Longbridge-built Rover 200 series, will run from this November at about only 4,000 vehicles a year.

There is scope within the BL corporate plan, however, for Honda subcontract assembly to rise to as much as 100,000 vehicles a year by the early 1990s. The Longbridge pilot scheme will have a key role in deciding whether such targets can be achieved. Honda will be examining the quality of the UK products and how it compares with imports. Whether Austin Rover capacity is used at Longbridge or the Cowley complex in Oxford will depend upon the Honda models to be assembled.

Austin Rover must look increasingly to its collaborative ventures with Honda, following the government veto of merger talks with Ford of Europe.

The volume cars company, after suffering a trading loss of approaching £10m in 1985, is likely to dip into the red again this year and is hardly an attractive proposition for privatisation.

Austin Rover seems to have maintained close relationship with Honda despite the political and commercial arguments about a possible tie-up with Ford. Talks with Honda are well advanced on the next joint venture - code-named the ARB, which will replace the present Rover 200 series and Maestro and is expected to be launched in the UK in spring 1989.

The new car is seen as crucial to establishing Austin Rover's presence in the vital fleet market where it has so far failed to achieve the necessary impact with its Maestro. Vauxhall-Opel's share of 14.8 per cent of the UK car market fell to 14.03 per cent last month. The drop, which left it 2.71 per cent behind BL, prevented the GM subsidiary from demoting BL to third place in the sales charts in the year's first quarter overall, writes John Griffiths.

Ford remained the clear market leader, with a share of 28.12 per cent, according to statistics published by the Society of Motor Manufacturers and Traders yesterday.

Big Bang 'may find some firms unready'

BY ALAN CANE

CITY OF LONDON firms large and small are in trouble over their technological preparations for the Big Bang which will transform the London stock market this autumn, and the Stock Exchange admitted yesterday that some may not be ready in time.

Mr Patrick Mitford-Stade, chairman of the Stock Exchange projects committee, said the Big Bang would go ahead on October 27 "come what may." If member firms were not ready, it could cause chaos, he said, but commercial pressures meant no delay could be brooked.

Speaking at a Financial Times conference in London on technology and the new securities markets, he told delegates: "We are aware of some firms who do not look as if they will be ready, sometimes because they are dependent on outside suppliers. We are doing what we can to help, advise, cajole, bully or suggest alternative short-term solutions, but at the end of the day there can be no question of delaying Big Bang because some players, however large, are not ready."

The Big Bang in the City of London will mean the end of minimum commissions and single capacity trading. The new broker/dealers are having to install automated equipment in a very short time to ensure their competitiveness.

Dr Paul Neild, head of equities at stockbrokers Phillips & Drew, technologically one of the most advanced firms, expressed the fears felt by all the exchange's members when he asked: "How many of these trading systems are going to be ready by October 27?"

Mr George Hayter, divisional director of information services at the Stock Exchange, described two new services - Saef Automatic Execution Facility (Saef) and the Block Order Exposure System (Blox) - due to go live in the autumn of 1987.

Saef, he said, was an automatic small order execution system dealing with trades of up to 1,000 shares. It should generate huge savings for traders.

Typical dealing and settlement costs for each trade in a medium-sized firm were now between £24 (£35) and £30. "It is too early to say what a Saef execution will cost but £2 ought to be achievable," he said.

With the pressure towards greater automation in dealing, only price would differentiate between one dealer and another, Mr David Victor, managing director of CAP Financial Services, told the conference. Firms looked for "packaged" solutions - generalised computer systems capable of fast, low-cost installation. In the future, they would

be looking for tailor-made software. Mr Glen Bentrew, chief executive of Reuters Holdings, sharply attacked the 5 per cent tax on American Depository Receipts announced in last month's UK budget. If the tax went ahead it would damage more than the ADR market.

He said efficient information services stimulated international trading volume even if it reduced profits on individual transactions. The efficient dealer gained more from the increased volume than he lost in reduced margins.

Mr Peter Doney, joint managing director of Tullett & Tokyo Forex International, the interdealer gift broker, described his company's screen-based system modified for the UK market from the system used by RNL, the largest US security broker.

He said: "Our experience has shown that very few mistakes occur

FINANCIAL TIMES
TECHNOLOGY AND THE SECURITIES MARKETS CONFERENCE

in the transaction of the trade. The majority occur in the confirmation or settlement. We believe that by using our system, most of these time-consuming problems will be eliminated."

Mr Michael Jenkins, chief executive of the London International Financial Futures Exchange, described the systems used there and said the exchange had gained by starting late.

These included reliability and responsiveness to change. "When we ran into capacity problems with our matching system recently, we were able to double capacity in a couple of weeks."

Mr Jack Carrothers, chief administrative officer for Merrill Lynch Europe, said that in the international equity markets information technology and its delivery systems would be critical resources for companies alongside the already recognised financial and human resources.

But before dynamic systems could replace the present static ones, a revolution had to take place in the way business was done in international equity markets.

This announcement appears as a matter of record only.

2,981,250 Shares



FIRST FINANCIAL MANAGEMENT CORPORATION

Common Stock

The undersigned have purchased from First Railroad & Banking Company of Georgia its remaining ownership shares and arranged their sale to institutional investors outside the United States.

J.C. Bradford & Co. N.V.

The Robinson-Humphrey Company N.V.

Fox-Pitt, Kelton N.V.

April 8, 1986



Its next flight will be on Cathay Pacific.

At Cathay Pacific, we believe our passengers deserve better than frozen, packaged and processed food. Which is why our chefs insist on using the freshest ingredients available around our system. Like this salmon, which will be freshly prepared and served on one of our international flights. The same principle of using only the freshest produce applies wherever you're flying with us. At 35,000 feet, you'll find we have the very highest standards of service and cuisine, all designed to help you arrive in better shape.

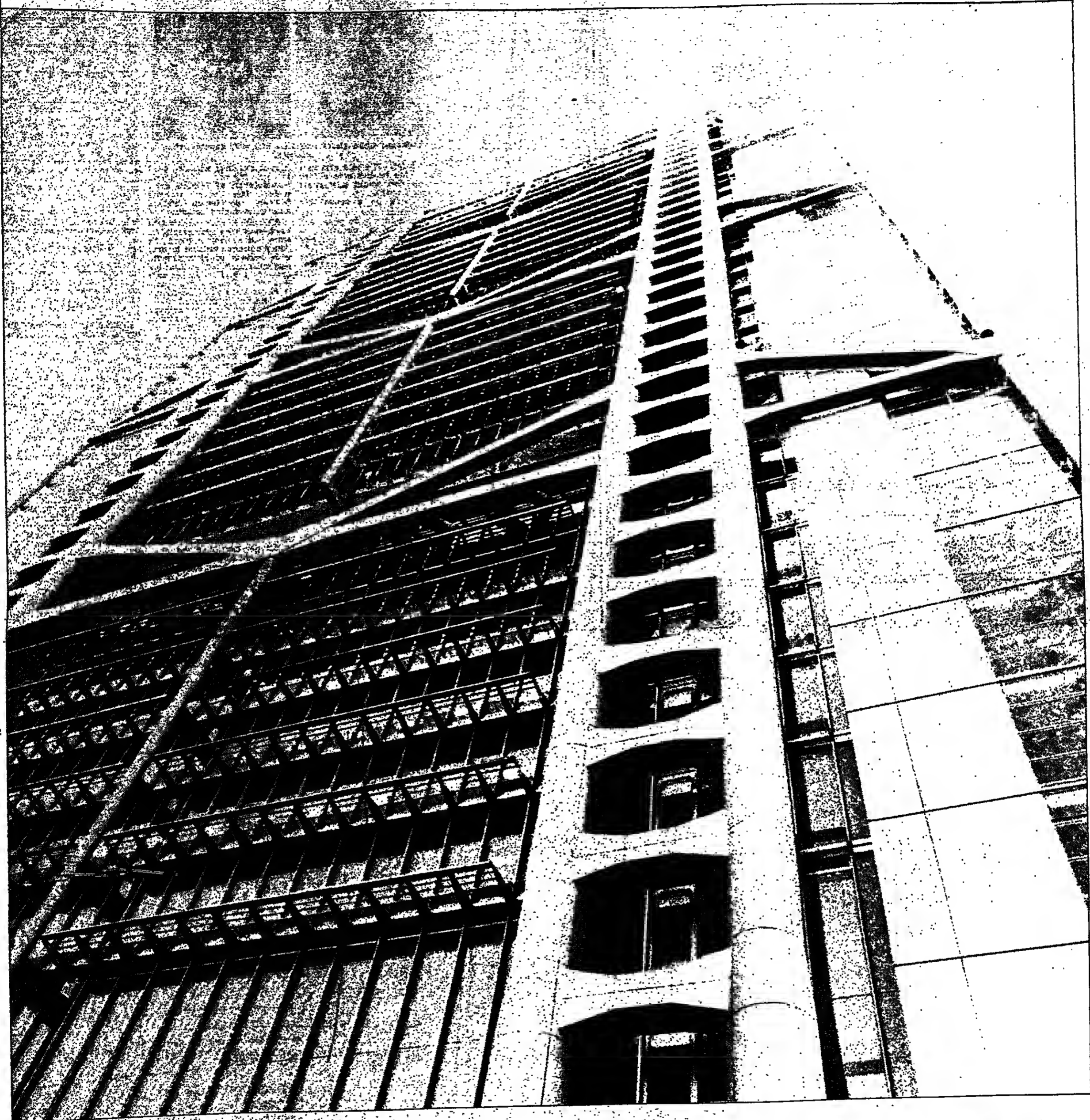
Arrive in better shape
CATHAY PACIFIC
The Swire Group

FIRST ON FIFTH AVENUE
NEW YORK'S ST. REGIS
America's first hotel built in the grand European tradition. New York's first business address on Fifth Avenue. At the fashionable corner of 53rd Street. First in convenience, service and location. All the reasons why the St. Regis has been the international traveler's first choice.
St-Regis Sheraton
FIFTH AVENUE & 53TH ST., NEW YORK, NY 10022 USA

Perhaps the bravest man I ever knew...
and now, he cannot bear to turn a corner
The first four Surgeons General (GTY) DGR, were perhaps the bravest men I ever knew. But now, after serving in Afghanistan, they are being badly treated and mistreated in Northern Ireland. Surgeons General cannot bear to turn a corner. For fear of what is on the other side. For the brave men and women from the Services that suffer from mental breakdowns. For they have tried, each one of them, to give more, reach more, than they could in the service of our Country.
We look after these brave men and women. We help them at home, and in hospital. We run our own Convalescent Homes and, for those who are homeless and cannot look after themselves in the community, our Homes give permanent accommodations. For others there is our Veterans' Home where they can see out their days in peace.
These men and women have given their minds to their Country. If we are to help them, we must have funds. Do please help us with a donation, and with a legacy too, perhaps. The debt is owed by all of us.
"They've given more than they could - please give as much as you can."
To protect these opinions, this is an analysis of several such cases before the Public Health Service.
EX-SERVICES MENTAL WELFARE SOCIETY
Broadway House, The Broadway, Wembley W10 7PL. Tel: 01-445 6833
Please send me information for £5/£10/£20/£50.
Please send me further details about the Ex-Services Mental Welfare Society.
Name
Address
Signature

John Griffiths

Hongkong Bank's new headquarters. Built on total commitment to the future.



Number One Queen's Road Central,
Hong Kong.

This has been the address of
Hongkong Bank's headquarters since 1865.

Hong Kong, the island which was once
dismissed as "a barren rock", is today one
of the world's major financial centres.
Over the last 120 years Hongkong Bank has
grown with it. Now the world's 14th largest
banking group with more than 1,200
offices in 55 countries, Hongkong Bank is

looking to the next era of expansion. The
new headquarters building — a masterpiece
not only of modern architecture but also of
banking technology — is a statement of the
Bank's commitment to the future of Hong
Kong, its people and the Bank's own
leadership in international finance.

The new building belongs to the future. But
at its heart are the spirit and vision that
made Hong Kong what it is today, and will
be for years to come.



Hongkong Bank

The Hongkong and Shanghai Banking Corporation

Marine Midland Bank • Hongkong Bank of
Canada • Hongkong Bank of Australia
The British Bank of the Middle East
Hang Seng Bank Limited • Wardley Limited
Hongkong Bank Limited

Fast decisions. Worldwide.
CONSOLIDATED ASSETS AT 31 DECEMBER 1984
EXCEED US\$61 BILLION.

SOUTH KOREA

A brighter economic outlook

BY STEVEN E. BUTLER IN SEOUL

MR. KIM MAHN-JE, South Korea's Deputy Prime Minister for Economic Planning, is smiling a lot in public these days. The stock market has caught on too. Enthusiastic investors have bid share prices up by over 40 per cent since October, mocking government efforts to cool an "overheated" market. Throughout Seoul, economists are busily jacking up growth projections for the year, with 7.5 per cent now a conservative choice.

The occasion for this good cheer is a dramatic transformation of the world economy in recent months that could have an historic impact on Korea. A mere quarter-century after economic growth began, Korea now stands to become the first large, diversified economy in the post-colonial world to join the ranks of the industrialised nations—surging forward on the back of cheap oil, lower international interest rates, and the rapid appreciation of the Japanese yen.

President Chun Doo-hwan of South Korea arrived in London yesterday at the start of the first official visit of a Korean head of state to Europe. His visit is an indication that the world recognises how far Korea has come.

However, his country's political system lags far behind the economy. Mr. Chun's political situation has become increasingly difficult recently as the challenge to his rule grows more vocal. The opposition is now riding high on a groundswell of popular support for democratic reform of the constitution to allow for a direct election of the President. Mr. Chun has refused to budge, and will not consider a constitutional amendment until after 1988, when he has pledged to step down from office.

Mr. Chun rose to power in a military coup in 1980 and has never succeeded in winning widespread support among his people. While the economic recovery hardly solves the President's political problems, it restores an essential element of credibility to the regime.

The brighter outlook means far more for Korea than a few years of good growth. Strong growth will give the country the resources to correct basic structural weaknesses in the economy.

Although it still lies years ahead, the result could be an economy with strength across a range of industries from textiles to automobiles and high-tech



President Chun (left) and Kim Mahn-Je, deputy Prime Minister.

electronics. It would also give Korea the resilience to absorb shocks that would now cause severe damage. It would be a remarkable achievement for a country destroyed in war 35 years ago and left with virtually no natural resources or industry by a tragic national division. Only one generation ago, Korea was locked into severe, stagnant poverty, with a per capita GNP in 1962 of only \$52.

That year, however, the Government launched the first of a series of economic plans designed to take advantage of the single resource that Korea had in abundance—a people with driving ambition who did not know how to rest and were surprisingly well-educated.

Korea began with high-volume exports of cheap light manufactured goods, mainly textiles, taking advantage of low wages. It has moved on gradually to electronics, ship building, steel, machinery and now automobiles. Since 1962, the economy has expanded by over 8 per cent a year.

The economy nonetheless acquired disturbing structural problems at the end of the decade resulting from the dual oil price shocks, prolonged high inflation and ill-advised government intervention. These weaknesses made the Korean miracle uncomfortably fragile.

Now after a generation of toil, Korea is receiving a sudden, unexpected and decisive shove forward from the world economy.

This year, for the first time in its history, Korea is expecting a trade surplus. The current account could run in the black by over US\$1bn. This, combined with a rising rate of

domestic savings, will stop dead in its tracks a worrisome accumulation of foreign debt, which last year reached \$46.7bn, the fourth highest among developing nations.

Although Korea's foreign debt has always been manageable, its scale had sharply reduced the policy options available to deal with periods of slow growth, particularly when worldwide demand for Korea's exports slumped. Strong fiscal stimulants ran the risk of increasing the demand for imported goods, widening the current account deficit and forcing the nation to raise more funds abroad.

The arithmetic for renewed optimism is simple. Each \$5-barrel drop in the import price of oil could lead to a \$1.1bn-a-year improvement in the current account, according to the Korea Institute of Economics and Technology. With much of Korea's foreign debt pegged to US prime and Euro-market rates, a one point decline in international rates can save \$300m.

The strengthening of the yen should boost Korea's exports to Japan, quickly and increase demand for Korean goods, that compete with Japan's. This could show up dramatically in consumer electronics and automobiles.

In 1979, Korea's current account deficit suddenly quadrupled to over \$4bn and in the next year the economy shrank by 3.2 per cent. For the past five years Korea's economic planners have been picking up the pieces, reining in inflation and trimming back over-invested industrial sectors.

After a unique, prolonged period of restraint that earned a high political price, they have largely succeeded. Inflation has stabilised at under 3 per cent, and the rate of domestic savings has risen from about 21 per cent in 1980 to 28.4 per cent last year.

Yet wringing inflation out of the system took a heavy toll and badly soured relations between the Government and the private sector. Manufacturing investment has been dangerously sluggish, growing at around 5 per cent recently.

The best news is that manufacturing investment could surge ahead by over 40 per cent this year, according to a survey of intentions conducted by the Government. This will supply relief in a key area. Korea can no longer hope to compete internationally on the basis of cheap labour alone. Its wages have risen faster recently than those of competitors in Hong Kong and Taiwan. The higher investment will provide new machines and technology to help raise productivity. The Deputy Prime Minister is still cautious. "These problems accumulated over two decades," says Mr. Kim. "It will take a long time to get over them."

Nonetheless, if Mr. Kim and his colleagues eventually succeed, Korea could emerge with a mature economy, genuinely driven by the market. Investment would be financed mainly from internal savings. The industrial structure would have depth, variety, flexibility and resilience. In short, the country would no longer have a developing economy.

Already Korea is of increasing importance in boardrooms around the world, for both the competition and the opportunities it offers in a remarkable range of industries. Foreign investment approvals last year passed \$500m for the first time. Direct foreign investment in Korea is likely to play an increasing role as the economy thrives for technology.

Korea still has a long way to go before it can be accepted as a full citizen of the developed world. Per capita income is still only about \$3,000. The economy hides behind a wall of unacceptably high protectionist barriers and intellectual property is poorly protected. The country faces an uncertain political future as the opposition becomes more vocal. For years to come, North Korea will pose a military threat.

Korea is not there yet, but the world economy in recent months has gone remarkably far in clearing obstacles from its path.

These Securities have not been registered for offer or sale in the United States of America. This announcement appears only as a matter of record.

NEW ISSUE

March, 1986

U.S. \$300,000,000



The Kingdom of Belgium

8½% Notes Due March 18, 1991

Kidder, Peabody International Limited

- | | |
|---|---|
| Bankers Trust International Limited | Banque Bruxelles Lambert S.A./Bank Brussel Lambert N.V. |
| Chemical Bank International Group Limited | EBC Amro Bank Limited |
| BankAmerica Capital Markets Group | First Chicago Limited |
| Banque Paribas Belgique S.A./Paribas Bank België N.V. | Banque Nationale de Paris |
| Chase Investment Bank | Caisse Nationale de Crédit Agricole |
| Daiwa Europe Limited | Crédit Commercial de France |
| Kredietbank International Group | Generale Bank |
| Mitsubishi Trust & Banking Corporation (Europe) S.A. | IBJ International Limited |
| Morgan Guaranty Ltd | Merrill Lynch Capital Markets |
| The Royal Bank of Scotland plc | Mitsui Trust Bank (Europe) S.A. |
| Shearson Lehman Brothers International | Nomura International Limited |
| Swiss Bank Corporation International Limited | Salomon Brothers International Limited |
| Tokai International Limited | Sumitomo Trust International Limited |
| Union Bank of Switzerland (Securities) Limited | Takugin International Bank (Europe) S.A. |
| | Yasuda Trust Europe Limited |

A tranche of U.S. \$50,000,000 principal amount of the above Notes was purchased under a separate agreement by Kidder, Peabody International Limited.

THE BOUNDLESS FOOD.



"I see it, but I don't believe it". The American visitor to the Swedish food processing factory watched rice, milk and spices go into one end of the production line and rice pudding come out of the other. Hour after hour. Without a single break for refilling or cleaning. A fully automated plant.

The continuous process is a revolution in the food industry.

Alfa-Laval has demonstrated that it is possible to make a wide range of food products continuously, with a consistently high quality, and much more economically than with batch systems.

Our continual processes for dosing, mixing, heating, cooling and freezing, liquids-handling and preserving have broken all records in the large-scale production and distribution of food. Quality products are now universally available. Ready-cooked food can be shipped to the farthest corners of the world. Wine travels safely halfway round the globe. Juice from sun-ripened fruit can be enjoyed above the Arctic Circle and unrefrigerated fresh milk enriches diets at the Equator without addition of chemical preservatives.

Alfa-Laval has played a leading role in the development of modern food-processing technology. With 100 years of experience, Alfa-Laval is the partner to turn to when new problems arise.

Food-processing is an important part of the exciting world of Alfa-Laval. For more information about the rest of Alfa-Laval's world, send for a copy of our Annual Report. Write to: Alfa-Laval AB, Public Affairs & Communications, Box 12150, S-10224 Stockholm, Sweden.

ALFA-LAVAL

The world of Alfa-Laval - in ten seconds. Alfa-Laval is a world-leading engineering company as a supplier to the food industry, a world-leading supplier of centrifugal separators and compact heat exchangers, and a dominating supplier to world plants. Alfa-Laval is a world-leading engineering company as a supplier to the food industry, a world-leading supplier of centrifugal separators and compact heat exchangers, and a dominating supplier to world plants.

[Handwritten signature]

Financial Times Monday March 24 1986

Continental Europe's Main Airport.

Frankfurt Main



Are they being less than frank?

Sorry, Lufthansa, but your ad for Frankfurt Main should never have got off the ground.

"Continental Europe," for heaven's sake!

Presumably that's the bit without Britain in it. And therefore without Heathrow.

The airport that runs more international flights, more often, to more places than any other.

(With nearly twice as many international passengers as Frankfurt.)

Just add Gatwick, the world's Number 4 airport, plus Stansted, and you have the world's premier international airport

system. Or, to be precise, Britain has.



The World's Most Successful International Airport System

HEATHROW - GATWICK - STANSTED - GLASGOW - EDINBURGH - PREST WICK - ABERDEEN

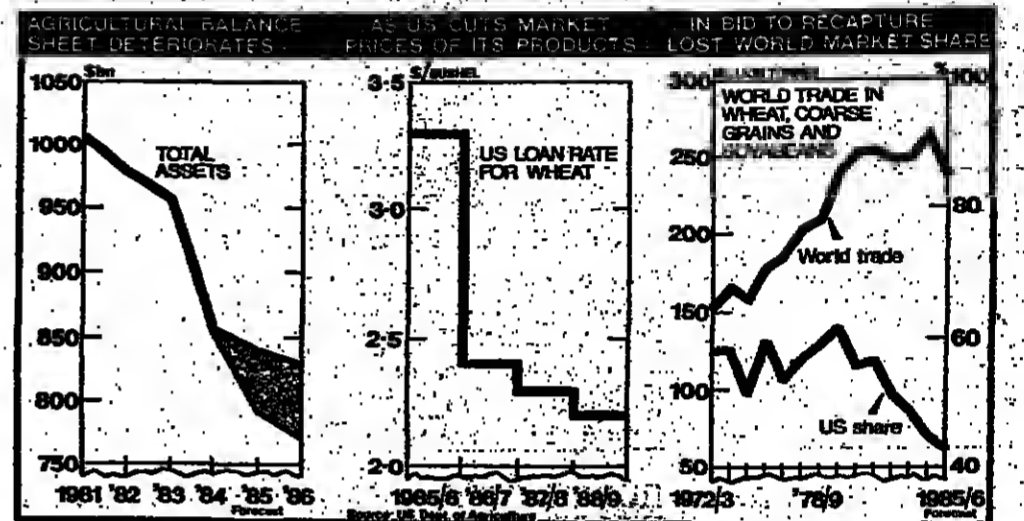
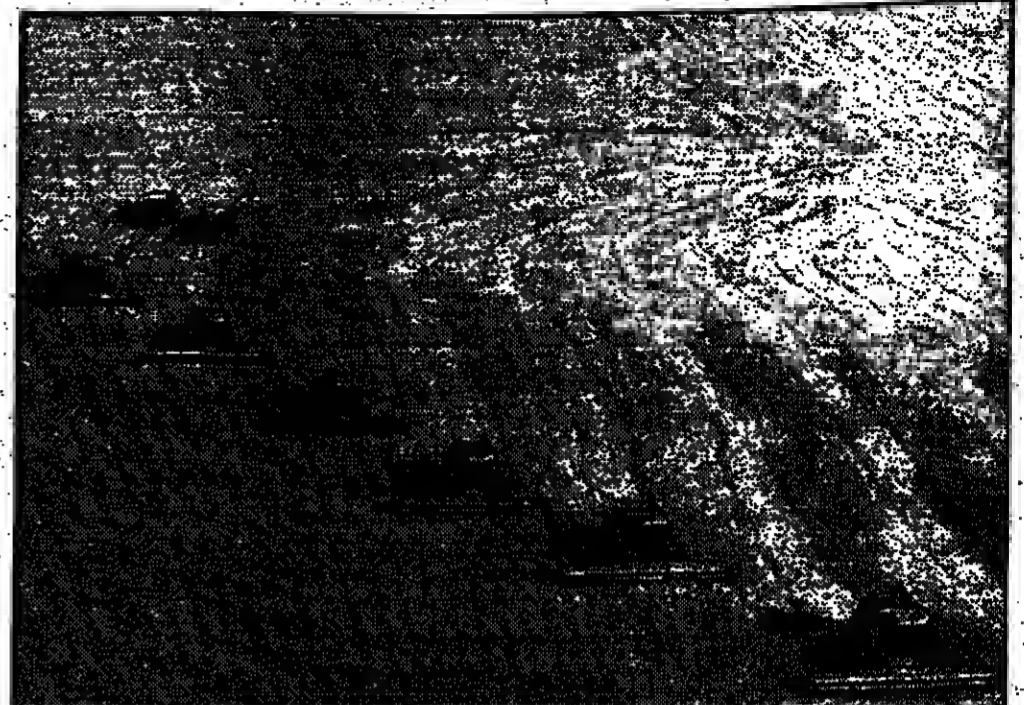
The 1984 league table of international passengers is as follows: 1. London Heathrow, 24,086,000. 2. New York JFK 16,334,000. 3. Frankfurt 13,350,000. 4. London Gatwick 12,817,000. 5. Paris, Charles de Gaulle 12,123,000.



First shots in a costly farm war

By Andrew Gowers

US FARMING IN TROUBLE



IN THIS SENSE, US farm policy is moving closer to something like the EEC's practice of tier pricing... One price, actually paid to farmers and a significantly lower price for exports...

Prescription for Japan

MR YASUHIRO NAKASONE, the Japanese Prime Minister, was yesterday presented with a report which, for good or for ill, has become one of the planks of his country's economic diplomacy in the run-up to next month's economic summit in Tokyo...

AFTER YEARS of threatening postures, US anxiety over its mounting farm trade problems have finally turned into action. Last week's decision by the US to raise tariffs and quotas against some European farm exports in retaliation against alleged restrictions on American sales in Europe since Spain and Portugal joined the community...

And although the Government is sheltering its own farmers from the effects of lower world prices with record income support payments, this will not prevent thousands more of them going out of business this year, taking numerous banks and farm equipment dealers with them...

I foresee blood on the floor for the next year or so. We're in a subsidy war for the short and medium term

Budget handouts or tax reform

IF THE Institute for Fiscal Studies is crowing a little in the wake of Mr Nigel Lawson's third Budget, it can surely be forgiven. For many years now, the IFS has been putting the case for an "expenditure tax" with all the ardour of a Latin lover...

Hiram Walker's triumvirate

Those who know the three men who call the shots at Hiram Walker Resources are not surprised that they have apparently decided to dismember the venerable Canadian energy and liquor company...

Men and Matters

The Hiram triumvirate is Alfred (Bud) Downing, 63, the company's chairman and president. A mid-managed, self-effacing chemical engineer, Downing has spent his entire career with the company...

Bristol fashion

Hoare Govett has finally filled the gap left by the departure of most of its traded options team for rival brokers L Messel in December. Hoare have "borrowed" the two-man traded options team from Westavon Securities...

about eight before too long. The rapid growth of traded options in business in recent months has prompted an acute shortage of people with the right expertise and Hoare looked long and hard before lighting on the Westavon team.

Trading places

The splashing about in the City continues to cause ripples on distant shores. Barclays de Zoete Wedd, which last month appointed Nicholas Sibley, former managing director of Jardine Fleming in Hong Kong...



Tokyo's more exotic social customs. Equity research, however, was never considered one of his strengths. He had built his reputation on sales, particularly in Japan.

Mail orders

Soviet troops in East Germany are displaying a growing interest in the Western way of life. Each day Soviet military patrols drive through West Berlin to exercise their four-power rights...

Double meaning

"If having one's wife is called monogamy," a Hampshire teacher asked a 12-year-old in her class, "what is having two wives called?" The boy thought long and carefully before answering: "Stereoamy."

Advertisement for WEST SURREY COMPUTERS, COMPUTER MARKETING AND LEASING, and COMPUTER MARKETING ASSOCIATES LTD. Includes contact information and a form for requesting information.

SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Tuesday April 8 1986

RTS GROUP... SERVING SHIPS, PORTS, INDUSTRY

Fletcher King... Stratton House, Stratton Street, London W1X 5FE 01-493 8400

Union Carbide to trim assets and shed jobs

BY PAUL TAYLOR IN NEW YORK

UNION CARBIDE, the US chemical group which is carrying out a big restructuring programme, yesterday announced plans to divest an additional \$1bn in assets and reduce its already streamlined workforce worldwide by a further 1,200 jobs.

Olivetti chief buys stake in Merzario

By Alan Friedman in Milan

MR CARLO DE BENEDETTI, the Olivetti chairman who also controls a personal industrial and financial empire, has acquired a significant stake in Merzario, the Milan freight forwarding, shipping and insurance group which last year had a L750bn (\$456m) turnover.

INDEPENDENT CARRIER STAKES CLAIM TO AIR FRANCE TERRITORY

BY PAUL BETTS IN PARIS

French fight over air routes

FRANCE'S international airline business has been shaken by a row over the allocation of long-distance routes to the country's two profitable long-haul airline companies, UTA and Air France.

While UTA has argued for the need to diversify its system based on the British model of British Airways and British Caledonian, Air France is now publicly taking the opposite line. It wants a monopoly system, similar to most other European countries with the exception of Britain, where international airline services are controlled by a single national carrier.

Metallgesellschaft confident despite lower metal prices

BY JOHN DAVIES IN FRANKFURT

METALLGESSELLSCHAFT, the West German metals, chemicals and trading concern, expects to keep up its performance this financial year despite lower metal prices and a decline in the US dollar.

Mr Natus declined to indicate dividend prospects but said last year's payment was still not satisfactory. He said that Metallgesellschaft lead-zinc mine at Meggen in West Germany and its zinc processing activities were feeling the impact of low metal prices.

Merzario last year entered into a joint venture in the insurance field with Jardines and has activities in Europe, the Middle East and Far East. Sabaudia, one of Mr Carlo De Benedetti's three main holding companies the other two are Cofide and Cir - yesterday reported a L1.1bn net profit.

Carson, Pirie rejects higher Baytree offer

BY TERRY BYLAND IN NEW YORK

THE BOARD of Carson, Pirie Scott, Chicago's second largest department store chain, has rejected an increased bid worth \$260m from Baytree Investors, describing it as "grossly inadequate."

Baytree is headed by Mr Gilbert Gramet, who recently bought Whitehall Stores which later merged with Carson in the Chicago retail league, and has also been credited with plans to bid for Gimbels and Kohls, two of the US retail subsidiaries that Bar Industries of the UK plans to shed.

Lafarge optimistic as earnings surge by 58%

BY DAVID MARSH IN PARIS

LAFARGE COPPEE, the big French cement group, is looking forward to another year of steady growth after boosting net consolidated earnings 58 per cent last year to FF 780m (\$103.5m).

Mr Cerf said Lafarge was pleased with the company's strong price rise on the Paris stock market, where the share price has roughly quadrupled since the beginning of last year.

NEW CHIEF EXECUTIVE AIMS TO RETURN A TROUBLED US MINING GROUP TO PROFIT

Getting Amax out of a hole

BY STEFAN WAGSTYL IN LONDON

MR ALLEN BORN, chief executive of Amax, the struggling US mining company, is under no illusions about the prospects for metal prices.



No illusions: Amax's Allen Born

anything else is, or could be, up for sale. In the past year the group has pulled out of iron ore - selling a 25 per cent stake in the Mount Newman mine, in Australia, for \$274m; it has also sold off its US phosphate business, most of its remaining US oil assets (following up a major disposal made in 1984), its lead-zinc mine at Buick, Missouri, and its Canadian tungsten mine.

Amax's revenues. The third-biggest US coal producer, it has a relatively secure market selling some 90 per cent of its output on long-term contracts to power stations. Mr Born bought an underground mine in Utah at the beginning of 1986 and was to expand further.

Even by the standards of the troubled US mining industry, these are exceptional figures. Few companies were as ambitious as Amax in funding expensive diversification plans in the 1970s with heavy borrowings, and few have been hit as hard in the 1980s by the decline in metal prices, because the price of molybdenum has fallen further than that of almost any other metal - from a peak of more than \$20 a pound to under \$5.

Mr Born's target is to bring Amax to break-even point, after interest charges, this year. "I know that's not good enough, but it's a start." The company had been under heavy fire for its financial performance. At last year's annual general meeting, Mr Gousseland had to answer some very tough questions from angry shareholders.

Mr Born's target is to reach break-even in molybdenum this year. Productivity is being raised with the help of new mines. The worldwide sales and marketing operations of the Metals Group (mainly molybdenum) is being centralised to improve control and cut costs.

Mr Born says the group can live with molybdenum at \$3 a pound. But he blames other North American producers for souring the market. "We are the only ones who have really cut back as far as moly is concerned," Mr Born wants Amax to be in a position to expand output from a low-cost base if his competitors cut back.

Northgate Exploration cuts debt but incurs loss

BY KENNETH MARSTON, MINING EDITOR, IN LONDON

CANADA'S Northgate Exploration progressed last year in reducing its debt, the servicing of which has been swallowing up the earnings of the company's gold-copper mines in the Chibougamau area of Quebec.

After the year-end the debt was further reduced to US\$24m by the sale of the holding in Tara Exploration and Development.

Mr Pat Hughes, Northgate chairman, says in the annual report that bank debt is now "at a very manageable level" and the company is "on a sound financial footing."

East Kempville open-pit tin mine in Nova Scotia has begun initial operations. It is expected to achieve normal working by mid-year at a total cost below the budget of C\$170m.

Can. \$100,000,000 Canadian National Railway Company... 9 7/8% Notes Due March 18, 1994... List of banks and financial institutions.

This announcement appears as a matter of record only.

April, 1986



U.S. \$1,000,000,000

The Mitsubishi Trust and Banking Corporation

London Branch

Certificate of Deposit Issuance Program

Dealers

Merrill Lynch Capital Markets
Morgan Stanley International
Salomon Brothers International Limited
Shearson Lehman Brothers International

Arranged by

Salomon Brothers International Limited

INTL COS

Petrobras gains fail to match inflation

By Ann Charters in Sao Paulo

PROFITS at Petrobras, Brazil's state oil company, failed to keep pace with inflation last year due largely to the adverse effect of government-imposed price controls. Net profits were 11,000bn cruzeiros, compared with Cr 1,100bn in 1984. In dollar terms - more meaningful for a company which imports 40 per cent of Brazil's domestic oil consumption, profits rose from \$389m to \$1.05bn. This 184 per cent rise is eclipsed, however, by Brazil's inflation rate last year of 234 per cent.

Consolidated sales for Petrobras, its six subsidiaries and related companies totalled Cr 115,500bn, compared to Cr 36,000bn in 1984.

Consumer prices for petroleum derivatives and alcohol were allowed to increase by only 132 per cent and 147 per cent respectively last year. Petrobras said this affected its cash flow, level of debt and consequently its performance, particularly in the second half of the year.

All the Petrobras subsidiaries expanded their operations and closed the year with positive results. The subsidiaries include petrochemical companies, distributors and mining, trading, fertilisers, exploration and drilling concerns.

With the fall in international oil prices, this year's balance sheet should improve. Total domestic consumption reached 964,000 barrels a day in 1985, at an average import price of \$28 per barrel, but Petrobras has reduced its purchase price to \$16-\$17 per barrel up to March.

Whether any savings will be passed on to the consumer has not yet been decided.

NOTICE OF REDEMPTION

To the Holders of The Broken Hill Proprietary Company Limited 10% Debentures Due 1990

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture, dated as of May 1, 1975, under which the above described Debentures were issued, Debentures aggregating U.S. \$1,000,000 principal amount have been selected for redemption on May 1, 1986, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, each in the denomination of U.S. \$1,000, as follows:

Outstanding Debentures bearing serial numbers ending in any of the following two digits:

00	01	02	03	04	05	06	07	08	09
1132	2032	2932	3832	4732	5632	6532	7432	8332	9232
1332	2232	3132	4032	4932	5832	6732	7632	8532	9432
1532	2432	3332	4232	5132	6032	6932	7832	8732	9632
1732	2632	3532	4432	5332	6232	7132	8032	8932	9832
1932	2832	3732	4632	5532	6432	7332	8232	9132	0032

On May 1, 1986, the Debentures designated above will become due and payable as aforesaid in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the Corporate Trust Office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, or (b) subject to any laws or regulations applicable thereto, at the main offices of Morgan Guaranty Trust Company of New York in Buenos Aires, Frankfurt (Main), London, Paris and Tokyo, of Credito Romagnolo S.p.A. in Milan and Home, of Bank Mees & Hope NV in Amsterdam and of Kredietbank S.A. Luxembourg for Luxembourg. Payments at the offices referred to in (b) above shall be made by check drawn on, or transfer to a dollar account maintained by the Holder with a bank in The City of New York.

Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 20% of the gross proceeds if payees who are not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-9, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

Coupons due May 1, 1986, should be detached and collected in the usual manner. On and after May 1, 1986, interest shall cease to accrue on the Debentures herein designated for redemption.

THE BROKEN HILL PROPRIETARY COMPANY LIMITED

Dated: April 1, 1986


NOTICE

The following Debentures previously called for redemption have not yet been presented for payment:

4266	4366	4466	4566	4666	4766	4866	4966	5066	5166
4336	4436	4536	4636	4736	4836	4936	5036	5136	5236
4355	4455	4555	4655	4755	4855	4955	5055	5155	5255
4366	4466	4566	4666	4766	4866	4966	5066	5166	5266

This announcement appears as a matter of record only.

New Issue March 1986



swedegas ab

(Incorporated with limited liability in Sweden)

Danish Kroner 200,000,000

9 3/8 per cent. Guaranteed Notes 1991

Guaranteed by

THE KINGDOM OF SWEDEN

Svenska Handelsbanken Group Den Danske Bank Swedbank

Banque Bruxelles Lambert SA Banque Internationale à Luxembourg S.A.
 Berliner Handels- und Frankfurter Bank Chemical Bank International Group
 Commerzbank Aktiengesellschaft Copenhagen Handelsbank A/S
 Crédit Lyonnais Deutsche Bank Capital Markets Limited
 Enskilda Securities, Skandinaviska Enskilda Limited Générale Bank
 Hambros Bank Limited Kredietbank International Group
 PKbanken Privatbanken A/S
 Westdeutsche Landesbank Girozentrale

TEOLLISUUDEN VOIMA OY
(TVO Power Company)
US\$100,000,000

Floating Rate Notes due 2004
Notice is hereby given that the Rate of Interest for the first Interest Sub-period of the Interest Period ending on 9th July 1986 has been fixed at 7 1/2% per annum. The amount payable for the first Interest Sub-period will be US\$61.46 and will be payable together with the amounts for the second and third Interest Sub-periods of the said Interest Period on 9th July 1986 against surrender of Coupon No. 9, Manufacturers Hanover Limited Agent Bank

PAN-HOLDING
SOCIETE ANONYME
Luxembourg

As of March 31, 1986, the consolidated net asset value was US\$225,627,730.22, i.e. US\$322.33 per share of US\$50 par value. The consolidated net asset value per share amounted, as of March 31, 1986, to US\$34.91.


ENERGY RESOURCES &
SERVICES INCORPORATED

Net Asset Value
31st March 1986
\$7.29
per share (unaudited)

STOCKHOLDERS FAR EAST
INVESTMENT INC.

Net Asset Value
31st March 1986
\$3.79
per share (unaudited)

£100,000,000



BRADFORD & BINGLEY BUILDING SOCIETY

Floating Rate Notes Due 1998

Interest Rate	11 1/16% per annum
Interest Period	3rd April 1986 3rd July 1986
Interest Amount per £10,000 Note due 3rd July 1986	£285.15

Credit Suisse First Boston Limited
Agent Bank

NOTICE OF REDEMPTION
US\$100,000,000

MANUFACTURERS HANOVER OVERSEAS CAPITAL CORPORATION

13 5/8% Guaranteed Notes due May 15, 1987

NOTICE IS HEREBY GIVEN to the holders of the above outstanding Notes that pursuant to the provisions of Section 4(c) of the Fiscal Agency Agreement, the Issuer intends to redeem on 15th May, 1986 all of its outstanding Notes at a redemption price equal to 100% of the principal amount thereof plus accrued interest of US\$138.25 for each \$1,000 principal amount. Payments will be made on or after 15th May, 1986 against presentation and surrender of Notes with coupons due 15th May, 1986 at any of the following offices: Manufacturers Hanover Limited, 7 Princes Street, London EC2P 2EN; Manufacturers Hanover Bank/Belgium S.A./N.V., 13 Rue de Ligne, B-1000 Brussels; Manufacturers Hanover Bank Luxembourg S.A., 39 Boulevard Prince Henri, Luxembourg; Manufacturers Hanover Trust Company, Boecklenbeimer Landstrasse 51-53, Frankfurt am Main; Manufacturers Hanover Trust Company, Stockstrasse 33, Zurich; Manufacturers Hanover Trust Company, Corporate Trust Department, 600 Fifth Avenue, New York, N.Y. 10020. Interest will cease to accrue on the said Notes as from 15th May, 1986.

MANUFACTURERS HANOVER LIMITED
Fiscal and Principal Paying Agent

8th April, 1986

These Notes having been sold, this announcement appears as a matter of record only.

New Issue

TD Mortgage Corporation

(Organised under the laws of Canada)

Cdn \$50,000,000

10% Guaranteed Notes due April 3, 1991

Unconditionally guaranteed as to payment of principal and interest by


TD THE TORONTO-DOMINION BANK

(a Canadian chartered bank)

McLeod Young Weir International Limited

Morgan Stanley International	Salomon Brothers International Limited
Banque Bruxelles Lambert S.A.	Banque Générale du Luxembourg S.A.
Banque Paribas Capital Markets Limited	Credit Suisse First Boston Limited
Daiwa Europe Limited	Deutsche Bank Capital Markets Limited
Dominion Securities Pitfield Limited	EBC Amro Bank Limited
First Interstate Capital Markets Limited	Generale Bank
Genossenschaftliche Zentralbank AG Vienna	Girozentrale und Bank der österreichischen Sparkassen AG
Goldman Sachs International Corp.	Hambros Bank Limited
Kleinwort, Benson Limited	Kredietbank International Group
Merrill Lynch Capital Markets	The Nikko Securities Co. (Europe) Ltd.
Nomura International Limited	Orion Royal Bank Limited
Shearson Lehman Brothers International	Swiss Bank Corporation International Limited
S. G. Warburg & Co. Ltd.	Wood Gundy Inc.

April, 1986 Yamaichi International (Europe) Limited



Central American Bank for Economic Integration (CABEI)

U.S. \$20,000,000

Floating Rate Serial Notes due 1994

For the six months
9th April, 1986 to 9th October, 1986

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 7 1/4% per cent. per annum, and that the interest payable on the relevant interest payment date, 9th October, 1986 against Coupon No. 15 will be U.S. \$250.10.

The Industrial Bank of Japan, Limited
Agent Bank

NOTICE OF PREPAYMENT

THE TOYO TRUST AND BANKING COMPANY LIMITED

(Incorporated with limited liability in Japan)

U.S. \$10,000,000

Redeemable Negotiable Floating Rate Dollar Certificates of Deposit

Certificate No. FT 000056 to FT 000075 issued on 28th April, 1985. Maturity 30th April, 1987. Callable in April, 1986.

Notice is hereby given in accordance with the conditions of the above Certificates of Deposit that the "Certificates" as printed on the reverse of the Certificates that The Toyo Trust and Banking Company Limited (the "Bank") will prepay all the outstanding Certificates on 30th April, 1986 (the "Prepayment Date"), at their principal amount.

Payment of the principal amount, together with accrued interest to the Prepayment Date, will be made on the Prepayment Date against presentation and surrender of the Certificates at the London Branch of the Bank at Battenbury House, 5th Floor, 83 Cannon Street, London EC4N 3AT.

Interest will cease to accrue on the Certificates on the Prepayment Date.

Chemical Bank International Limited
London
as Agent Bank

8th April, 1986

J.P. Harolds

INTERNATIONAL COMPANIES and FINANCE

Net foreign bond sales by Tokyo insurers in March

BY YOKO SHIBATA IN TOKYO

JAPANESE life insurance companies sold \$800m more foreign bonds than they purchased in March, marking the first month of net sales since November last year, according to the Ministry of Finance.

The MoF recently allowed life insurance companies to place up to 25 per cent of their total assets in foreign currency-denominated assets with effect from April 1, against previous 10 per cent limit.

That if the book value of a security falls 15 per cent or more from its purchase price at the end of a fiscal year, the loss may be written off in a financial statement for the same year.

Convertible is first for Japanese trust banks

By Alexander Nicol

TRUSTBANK Trust & Banking Corporation yesterday became the first Japanese trust bank to launch a convertible Eurobond, with a \$100m issue.

Japanese banks were allowed to issue long-term convertible debt abroad for the first time last year, and six city banks (commercial banks) have since raised \$620m in this way.

Currency move lifts French issues

BY OUR EUROMARKETS STAFF

A WEEKEND realignment in the European Monetary System (EMS) provided a boost for French franc and Euro-denominated bonds but failed to impress other markets with currencies.

Secondary prices in the French franc Eurobond market set up by two points in many cases, and three points on some bonds, in buoyant trading in the wake of the weekend devaluation of the French currency.

launched its first D-Mark bond issue, for DM 250m, with Commerzbank and Westpac itself as lead managers.

Stanley as lead managers. Coupon payments will be in dollars at 7 1/2 per cent for the first ten years and thereafter at 50 basis points below the prevailing rate for 10-year US Treasuries.

Banks seek broking permits

BY OUR TOKYO STAFF

THE LEADING Japanese city banks (commercial banks) stepped up their lobbying efforts to persuade the authorities to let them move into the securities business.

second phase of financial deregulation in Japan. The banks' document argues that Article 65 long ago achieved its original aim of fostering the growth of a strong securities industry.

position is their fear that failure to amend or repeal Article 65 would lead them to growing competition from those foreign banks which have been granted permission to engage in Japanese securities business.

Offerings in Euroyen soar to Y1,600bn

BY OUR EUROMARKETS STAFF

EUROYEN BOND offerings by foreign governments and corporations surged in the first week of March 1986. APDJ reports from Tokyo. This was more than triple the level seen in the previous 12 months.

Dismal start to week for Eurodollar sector

BY OUR EUROMARKETS STAFF

A SELL-OFF of US Treasury bonds in Tokyo yesterday morning and later in Europe and New York provided a dismal start to the week for the Eurodollar market.

Queensland Coal Finance took advantage of the scarcity of new paper in the floating rate note sector to launch a \$300m first tranche of an eventual \$1.5bn issue.

able after four years at par. Salomon Brothers, the lead manager, quoted the bond at less 25 yesterday afternoon, on a side fee of 1 1/2 per cent.

CEPME, the French financing agency for small and medium-sized businesses, is raising \$100m with a 1-yr-year deal brought out late in the day by Salomon Brothers.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices on April 7

Table with columns: US DOLLAR STRAIGHTS, OTHER STRAIGHTS, CONVERTIBLE BONDS, DEUTSCHE MARK STRAIGHTS, SWISS FRANC STRAIGHTS, YEN STRAIGHTS. Includes bond names, amounts, and prices.

Fl 398m rights planned by Amrobank

By Our Financial Staff

A RIGHTS issue with warrants to raise around Fl 398m (\$148m) is planned by Amrobank Rotterdam.

Screen system considered for Eurobonds

BY OUR EUROMARKETS STAFF

THE Association of International Bond Dealers (AIBD) is planning a joint study with the National Association of Securities Dealers (NASD) on setting up a screen-based quotation and trading system for the Eurobond market.

It has been considering for some time the creation of a screen system similar to the NASDAQ automated quotation system operated for the US over-the-counter equity market.

is planning an additional levy of Sfr 2,500 per member firm (\$1,233) this year, on top of the membership fee of Sfr 1250 already approved.

For 1987, it is proposing a membership fee of Sfr 5,000 for each of its 800 member firms—still a relatively modest amount by the standards of comparable professional bodies.

Hawley Group Limited advertisement. Includes logo, company name, '8 3/4% Convertible Cumulative Redeemable Preference Shares 2001', and a list of international banks and financial institutions.

INTL. COMPANIES & FINANCE

New A\$2bn Bell offer for BHP

BY LACHLAN DRUMMOND IN SYDNEY

BELL RESOURCES, Mr Robert Holmes a Court's energy investment vehicle, yesterday launched a further partial bid for Broken Hill Proprietary (BHP), Australia's largest company.

He is offering up to A\$2bn (US\$1.44bn) to lift his holding to as much as 40 per cent from his current entitlement of some 18 per cent. The bid, in contrast to previous forays, has been made all in cash.

It is priced at the same A\$7.70 per share level which Mr Holmes a Court proposed paying earlier this year. That attempt foundered amid a series of legal actions brought by BHP, but coincided with a decline in the share price of the larger company, as world oil values fell.

BHP shares closed 2 cents

higher in Sydney at A\$6.53 ahead of details of the latest expected bid.

BHP said last night it believed the offer was inadequately priced and because of the cash ceiling and degree of financial details, was as deficient as the bid withdrawn last month.

The company is expected to return to the courts in an effort to halt the bid, which is formally targeted at 50 per cent of each remaining shareholding but financially capable of winning only 26 per cent of each holding. All acceptances will be returned should Bell find more than 258.74m shares tendered to its offer.

BHP's chances of upsetting the financing of the offer by using its own newly established shareholding base in Bell Resources has been diminished.

This follows Bell's decision to seek equity funding for the bid through a rights issue for up to A\$700m rather than through a placement which would require shareholder approval.

Of the issue, A\$700m has been underwritten by an international group: Swiss Bank Corporation International, Ord Minnett, Lazard Brothers, and Banque Paribas Capital Markets. Their commitment is conditional on Bell achieving success within a few weeks.

In launching the bid in Melbourne yesterday, Mr Holmes a Court asked the BHP board to negotiate with him instead of seeking litigation.

Mr Brian Loton, BHP's managing director, said negotiations with Mr Holmes a Court were unlikely, alleging that "most of the statements he makes do not have much validity" and his last bid for the company had been "invalid, misleading and unlawful."

Bell's minimum acceptance condition in the bid for 230m more BHP shares would take the group entitlement to almost 38 per cent of capital. The maximum acceptance condition has been set at 258.74m shares worth A\$2bn at the bid price, while a successful bid for 50 per cent of each shareholding would require A\$3.9bn.

Mr Holmes a Court said the bid provided as full a disclosure as was possible about financing arrangements, describing it as a condition-free, simple proportional offer.

The bid documents reject suggestions that Bell Resources would need to use the assets of BHP in order to service and repay borrowings incurred in the takeover.

Outokumpu Oy



has acquired

Tara Exploration and Development Company Limited

The undersigned acted as financial advisors to Outokumpu Oy in this transaction.

Prudential-Bache Securities

Prudential-Bache Trade Corporation

Australian authorities veto Hoover bid for Simpson

BY OUR SYDNEY CORRESPONDENT

HOOVER, the US-owned household appliance maker, is to persevere with attempts to increase its presence in the Australian white goods industry despite a decision yesterday by the Foreign Investment Review Board (FIRB) to veto its A\$55m (US\$38m) bid for Simpson Holdings.

The FIRB said last night that Hoover's A\$1.70 a share offer for Simpson had been rejected because it believed the benefits of the takeover would not offset the extent of foreign ownership in the industry that would result.

Email, the Australian company which is Hoover's opponent in the battle for Simpson, seems likely to succeed, having yesterday agreed to match Hoover's offer price.

Hoover's advisors, warned however, that the company was contemplating other courses. The FIRB said the decision to reject the Hoover offer had been made in light of the restructuring of the white goods industry and the fact that an Australian company had decided to match Hoover's terms.

Brierley sells most of North Broken Hill holding

BY OUR SYDNEY CORRESPONDENT

INDUSTRIAL EQUITY (IEL), Mr Ron Brierley's Australian company, has sold most of its A\$60m (US\$42m) holding in North Broken Hill Holdings to the investment affiliate of New Zealand Forest Products.

The deal apparently resolves the ownership tangle created by an earlier court ruling, to vest a disputed part of IEL's shareholding with the National Companies and Securities Commission.

Rada Corporation, 48 per cent owned by NZFP, agreed to buy a 14.9 per cent stake in North

BH at A\$2.70 a share and was "immediately offered two board seats with the mining assets of the group, the sale of IEL's remaining 4 per cent stake is being negotiated with other parties."

Mr Brierley said yesterday he was "happy about the sale in so far as it represents the partial resolution of a very difficult situation—that's about it."

Asked how the deal with Rada was done, given that a 7 per cent parcel of shares in North BH was vested by court order with the NCSC, Mr Brierley said bluntly: "We sold them."

KLSE lifeboat proposal fails

BY WONG SULONG IN KUALA LUMPUR

THE Kuala Lumpur Stock Exchange (KLSE) has failed to launch a lifeboat proposal for 50m ringgit (\$18.8m) financial lifeboat from Malaysian commercial banks to help stockbrokers who are in trouble over forward share purchase contracts.

At an extraordinary meeting, 70 per cent of those present voted in favour of the fund, short of the 75 per cent required for its implementation.

Mr Nik Mohamed Din, the KLSE chairman who is a strong

supporter of the fund, expressed disappointment over the result of the meeting which would be held in three weeks at which the subject would be debated again.

He said about 27 of the 133 stockbrokers did not attend the meeting, and he was confident many of them would be won over for the lifeboat fund once the matter had been fully explained.

Under its terms, a stockbroker firm which makes use of the fund would be required to

give an unlimited guarantee to the banks, while those which do not use the facility have to provide a guarantee of not more than 1m ringgit.

Firms which use the facility have to contribute at least half their net profits to service the fund, while other firms are required to make smaller payments, depending on how much of the facility has been drawn.

It is believed that five of the 51 Malaysian stockbroker firms are saddled with forward contracts.

Philippines to sell copper smelter stake

By Leo Gonzales in Manila

THE PHILIPPINE state-owned National Development Company (NDC) is to offer its 42 per cent equity stake in Philippine Associated Smelting and Refining (Pasar) to the private sector.

This was announced by Mr Jose Concepcion, Trade and Industry Minister, who is NDC's chairman.

Pasar, the country's only copper smelter, is located in Isabela on Leyte Island, east central Philippines. It has three Japanese holding companies as partners: Mitsubishi Corporation with a 18 per cent interest, Sumitomo Corporation with 9.5 per cent and C. Itoh with 6.4 per cent.

The International Finance Corporation is almost 50 per cent of the World Bank has a 5 per cent with the remainder held by local copper producers.

NDC is also expected to sell its 60 per cent holding in Negros Copperfield.

Sharply higher loss at Putco

BY JIM JONES IN JOHANNESBURG

POTCO, the South African bus company whose operations are largely based on carrying black commuters, suffered a sharply increased deficit in the half year to December even though the state provided additional subsidies to cover losses which arose as township unrest led to curtailment of services.

On revenues of R145m (\$69.4m) against R121m, the attributable loss rose to R19.7m from R2.4m in the corresponding period of 1984 and R8.4m in the last financial year.

The state subsidised Putco's

operations until the end of September and the directors hope that the subsidy will be extended and that further fare increases will be avoided. Fare increases are particularly resented by blacks—who are obliged to commute from townships which are frequently remote from workplaces—and are often accompanied by violent action by commuters.

The directors say operations suffered from competition from informal private sector operators of minibuses and illegal taxis. Although the Govern-

ment has tried to curb these activities, in part by sheltering state-owned railway systems' black commuter services, minibuses operated by black entrepreneurs are one of the principal black small business growth areas.

Putco's interim loss per share was 74.4 cents against 9 cents at the half-way stage last year and a loss of 51.9 cents a share for last year as a whole. An interim dividend has not been declared. In the previous year there was an interim dividend of 3 cents, but no final dividend.

Acquisition boosts Altech

BY OUR JOHANNESBURG CORRESPONDENT

ALLIED TECHNOLOGIES (Altech), the South African electronics and electrical company, has maintained its strong growth record, helped by the acquisition of Motorola's South African business.

Turnover rose to R493.3m (\$236m) in the year to February from R410.7m and the pre-tax profit increased to R89m from R77.9m.

Last year management feared that deferral of government orders would adversely affect the year's trading. The deferrals did not materialise, probably because military spending continues to receive priority treatment, although the curtailment of post office spending curbed

the telecommunications division's profits.

The acquisition of the Motorola operations in September has considerably strengthened Altech's position in the electronics sector, said Mr Bill Venter, the chief executive.

Mr Venter is optimistic about the current year and says that efforts to penetrate additional electronics markets have been successful. He says further acquisitions and vigorous internal growth are envisaged by management.

Earnings per share increased to 482.2 cents from 401.5 cents and the dividend has been raised to 150 cents from 125 cents.

INSTITUTO NAZIONALE DE INDUSTRIA
 Floating Rate Notes due 2000

Notice is hereby given that the rate of interest for the first interest period of the interest period ending on 9th October, 1986 has been fixed at 7 1/2% per annum. The amount payable for the first interest period will be US\$186.42 in respect of the US\$10,000,000 denomination and US\$4,660.59 in respect of the US\$250,000 denomination and will be payable together with the amount for second interest period on 9th October, 1986 against surrender of Coupon No. 5.

Manufacturers Hanover Limited
 Agent Bank

NOTICE TO BONDHOLDERS
 US\$25,000,000
REDLAND FINANCE N.V.
 (the "Company")
 9 1/2% GUARANTEED BONDS
 DUE 1991

In accordance with condition 5 (B) of the conditions attaching to the Bonds, notice is hereby given that the Company will redeem all of the outstanding bonds, being US\$7,231,000 nominal amount at 101% on May 8, 1986 when interest on the bonds will cease to accrue. Payment of principal, together with accrued interest from March 15 to May 8, 1986 amounting to US\$13.99 per US\$1,000 Bond will be made on or after May 8, 1986 upon presentation and surrender of the said Bonds with all coupons appertaining thereto at the office of any of the Paying Agents mentioned therein.

April 8, 1986
 THE CHASE MANHATTAN BANK N.A.
 LONDON, PRINCIPAL PAYING AGENT.

Notice of Redemption

A/S EKSPORTFINANS
 (Foretningsselskabet Finansierings-og Eksportredningsinstitutt)
 (Incorporated in the Kingdom of Norway with limited liability)
 U.S. \$50,000,000
 14 1/2% Notes Due 1989

NOTICE IS HEREBY GIVEN that pursuant to Condition 3(c) of the Notes, A/S Eksporfinans has elected to redeem on May 8, 1986 (the "Redemption Date") all of its outstanding 14 1/2% Notes due 1989 (the "Notes") at 101 1/2%. On and after the Redemption Date, interest on the Notes will cease to accrue. The value of each Note is US\$1,015 plus interest of US\$3.22 total US\$1,018.22. Payment will be made upon surrender of the Notes together with all coupons maturing after the date fixed for redemption, at the offices of the Paying Agents as shown on the Notes. Notes will become void unless presented for payment within a period of ten years from the Redemption Date.

Outstanding after May 1, 1986 US\$24,000,000.

April 8, 1986
 By Citibank, N.A. (CSI Dept.)
 London Paying Agent

CITIBANK

The Floating Rate Note Department
 of
Shearson Lehman Brothers International
 has commenced principal dealing in
Sterling Floating Rate Notes
 effective April 1, 1986

Telephone: 283-4321

All these securities having been sold, this announcement appears as a matter of record only.

NEW ISSUE February, 1986

SEK

AB SVENSK EXPORTKREDIT
 (SWEDISH EXPORT CREDIT CORPORATION)
 (Incorporated in the Kingdom of Sweden with limited liability)

Japanese Yen 10,140,000,000
 6.625 per cent. Bonds Due 1996

ISSUE PRICE 102 PER CENT.

The Nikko Securities Co., (Europe) Ltd.	Goldman Sachs International Corp.
Daiwa Europe Limited	Mitsui Trust Bank (Europe) S.A.
Prudential-Bache Securities International	
Bank of Tokyo International Limited	Banque Bruxelles Lambert S.A.
Mitsubishi Finance International Limited	Mitsubishi Trust & Banking Corporation (Europe) S.A.
Morgan Stanley International	Nippon Credit International (HK) Ltd.
Post- och Kreditbanken, PKbanken	Privatbanken A/S
Saitama Bank (Europe) S.A.	Shearson Lehman Brothers International
Sumitomo Trust International Limited	Svenska Handelsbanken Group
Takugin International Bank (Europe) S.A.	Union Bank of Switzerland (Securities) Limited
Yasuda Trust Europe Limited	

This announcement appears as a matter of record only. The Notes have not been registered for offer or sale in the United States. Offers and sales of the Notes in the United States or to United States nationals or residents may constitute a violation of United States law if made prior to the 90th day after a determination that the distribution has been completed.

NEW ISSUE February 1986

First Interstate Bancorp

U.S. \$60,000,000
 FLOATING RATE FOREX-LINKED NOTES DUE 1996

Issue Price 100%

The Nikko Securities Co., (Europe) Ltd.
 First Interstate Capital Markets Limited
 Goldman Sachs International Corp.
 Daiwa Europe Limited
 Morgan Guaranty Ltd.
 Kyowa Bank Nederland N.V.
 S. G. Warburg & Co. Ltd.

UK COMPANY NEWS

Reebok boost as Pentland profits jump to over £40m

INCLUDING a contribution of £12.5m from Reebok International — formerly a subsidiary but an associate since last July — pre-tax profits of Pentland Industries, industrial holding concern, jumped from £12.9m to £40.2m for 1985. Turnover more than doubled from £113.3m to £245.4m.

The dividend is, in effect, in line with a final payment of 1.16p, compared with 1.15p for the year ended 31st July 1985. The directors say that earnings for the first quarter of the current year have, pro rata, significantly improved over those for the second half of 1985, and they believe 1986 should be a year of substantial progress.

Last July, Pentland reduced its holding in Reebok from 55.3 per cent to just over 40 per cent in a public offering of shares.

There was a non-distributable surplus for 1985 of £11.1m which has been credited directly to reserves and represents the company's share of the increase in the reserves of Reebok arising from the issue of new shares at a premium.

Below the line, there were minority debits of £5.4m, against £2.64m, and an extraordinary profit of £3.88m (nil) being the net surplus on the realisation of investment in subsidiary and associate companies.

Midland buys back part of Crocker

By David Lascelles, Banking Correspondent

Midland Bank is to spend up to £100m (£88.96m) to reacquire the securities trading business of Crocker National Bank, which it has agreed to sell to Wells Fargo Bank for \$1.1bn.

The business, which includes Crocker's primary dealership in the US Treasury bond market, is seen by Midland as a vital component of its plans to build up a worldwide securities capability, it was announced yesterday.

The trading operation, employing about 200 people, is currently located in Crocker's headquarters in San Francisco, but would probably be transferred under Midland ownership to New York. Aside from the US Treasury bond dealership, it includes a municipal bond trading operation and related securities services.

In a letter to Midland shareholders issued yesterday, Sir Donald Barron, the chairman, says that the entire sale price will be paid in cash rather than in a mixture of cash and securities as stated in the original announcement in February.

The agreement also provides for Midland to buy \$495m in international loans of Crocker, the remainder of these (\$150m) are to Brazil, and another \$135m is in the form of trade credits guaranteed by the US government. About 15 trading companies, these are in addition to the \$3bn worth Midland took out of Crocker last year, and represent the remainder of Crocker's international business.

The letter reveals that Midland will be paying a minimum of \$7m to terminate the employment of Mr Frank Cahoon, Crocker's chairman and chief executive, who has a contract extending to March 1986. It is possible that his benefits could total as much as \$4.5m.

A special meeting of shareholders to agree the sale terms has been called on April 22.

Valin talks to Good Relations

BY RICHARD TOMKINS

Valin Pollen International, corporate advertising and public relations group, has been confirmed as the suitor of Good Relations, public relations company, which announced on Friday that it was holding merger talks with an unnamed party.

Details of the deal will not be available before the end of the week but the two companies said that if the talks were successful the merger would be achieved through an all-share offer by Valin Pollen.

Valin Pollen, shares of which were down 10p at 205p yesterday, is the larger of the two companies with a market capitalisation of £26.3m. Good Relations' shares were suspended at its request at 172p up 8p, giving it a capitalisation of £14.9m.

The initiative came from Valin Pollen but both companies said yesterday that they saw it as a merger, not a takeover.

They will continue to operate autonomously under their existing chairmen, but they hope to benefit by exchanging specialist skills.

The board of the combined group — so far unnamed — will have Mr Tony Good, chairman of Good Relations, as its non-executive chairman and Mr Reg Valin, chairman of Valin Pollen, as group chief executive.

According to the latest issue of newspaper, PR Week, the industry's largest public relations company in Britain with a fee income of £5.7m, just ahead of Charles Barratt with £5.65m.

Valin Pollen's income is dominated by advertising. Its revenue from public relations placed it at number 15 in the PR Week table, with fee income of £1.47m. Its subsidiary, McAvoy Wreford Bayley is listed separately at number 29 with income of £992,000.

The City views the proposed merger as a welcome move for Good Relations, which has suffered badly in the last year as a result of a series of executive defections.

For Valin Pollen, which has long cherished a presence in the US market, Good Relations, with its first foothold.

However, Mr Valin said this would not weaken his resolve to expand in the US of a size which he regards as relevant to the market.

Swedish propeller maker for Vickers

By Lionel Barber

Vickers, the defence engineering and health products manufacturer, is poised to buy a Swedish marine engineering company, KaMeWa, at a price of between £10m and £15m.

Vickers said yesterday that it had signed a letter of intent with KaMeWa's parent, the Nordstjernan group, a conglomerate with interests in shipping, construction and department stores. Talks are taking place to fix a price.

KaMeWa specialises in making marine propellers. According to Vickers, the Swedish company has around 30 per cent of the world marine propulsion market, excluding fixed propellers, its annual turnover is around £50m.

Vickers' marine engineering division made pre-tax profits of £4.5m (£6m) on 1985 sales in the year to last February. It was the only division's profits which fell last year, mainly due to the costs of product development, Vickers said.

The group's marine engineering interests cover stabilisers for ships, ranging from cross-channel ferries to aircraft carriers, as well as cranes and thrust bearings. "KaMeWa is a very good fit for us," said a Vickers spokesman.

The rest of the Vickers group made £45m pre-tax on £600m sales in 1985, above market forecasts. In the past nine months, the group's share price has doubled to well above 500p. Last night, it closed at 538p, down 2p, though analysts say this was mostly due to the overall market fall yesterday.

Vickers is still looking for a sizeable acquisition — possible in the US, to strengthen its health products interests. The aim is to make all its six key business areas — which also include motor cars, lithographic plates, defence engineering and office furniture — equally important. The group employs 15,000 people, with almost two-thirds of its sales outside the UK.

Memory Computer back in black for first half

FOLLOWING losses of £3.62m for the previous 15 months, Memory Computer, the Dublin-based computer manufacturer and distributor, has returned to the black with profits of £58,000 (£32,000 sterling) for the six months ended December 31 1985. This is compared with losses last time totalling £2.2m for the six months to September 30 1984.

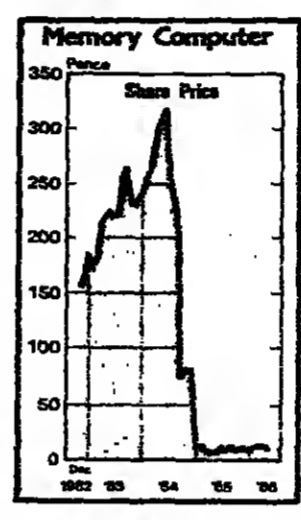
The directors say the group is trading in line with expectations, while the outlook is for continuing progress, particularly in Britain and the Republic of Ireland, where Memory has strong Prime Olivetti and software order books.

In November the directors said that the continuing recession in Ireland had resulted in severe competition and reluctance among purchasers to commit scarce funds. They added, however, that Memory's "substantial customer base" served to mitigate these forces, giving cause for the company to expect home sales to rise.

Turnover for the 15 months to June 30 last was down from £5.19m to £7.28m, but for the first six months of the current year sales amounted to £3.58m, against £2.13m last time.

After tax of £20,000 (£18,000) there were earnings per share of 0.04p compared with losses of 35.5p.

The directors say that group policy on the premium on the acquisition of subsidiaries is being reconsidered and may result in the adoption of SSAP



Scottish Television profits advance 31%

IN ITS third year of strong growth Scottish Television saw taxable profits rise by 31 per cent on turnover ahead by 14 per cent. Advertising revenue up by 13 per cent helped turnover for 1985 increase from £38.65m to £44.96m, giving pre-tax profits of £4.94m, against £3.66m.

Earnings per 10p non-voting share came out at 32.33p (25.15p) and the directors are recommending a final payment of 5.1p (6.5p), making a total for the year of 10.5p, compared with 8.5p last time.

Sir Campbell Fraser, chairman, says that since 1983 in three consecutive years of strong growth, earnings per share have risen by 46 per cent from 22.3p despite a rights issue in 1984. He adds that the improvement in advertising sales was higher than the network average, signifying a further improvement in the company's share of revenue.

Programme sales improved by £1m to £3.6m, the increase being matched by a record level of local programme spending, a rise of about 30 per cent.

Sir Campbell adds that in the light of the results the present year will see substantially increased investment in programme making and the capital spending needed to support it.

The pre-tax figure was struck after Channel 4 subscription of £9.41m (£8.09m) and Exchequer levy of £2.4m (£3.53m). The tax charge was £2.09m (£1.87m). Last time there was an extra-

ordinary item of £2.04m covered by a transfer from reserves.

Since the beginning of the present year advertising revenue has been strong with the first quarter showing an improvement of 22 per cent over the comparable period. Sir Campbell says the rate of growth is not expected to collapse, bearing in mind the sluggish start to 1985.

He adds that the company welcomes the changes in the rating of Exchequer levy — pre-tax is due to fall from 66.7 per cent to 45 per cent with a 22.5 per cent levy on the previously exempt profits on overseas sales — which will benefit results.

Aidcom looks to 1986 for a continuation of growth

Aidcom International, a market research, design and product development company, returned pre-tax profits of £1.28m for 1985 from a turnover of £26.1m.

The previous accounting period covered 14 months but the results have been annualised and at £1.27m and £20.85m respectively represents 12/14ths of the results.

A dividend of 1.1p (0.88p adjusted) is being paid from earnings per 10p share of 3.49p (2.8p).

There were extraordinary debits of £147,000 (£333,000) arising from the closure of discontinued activities.

The directors are looking to 1986 for continued growth in both turnover and profits.

In February, Aidcom acquired a 50 per cent interest in Paris-based Vepro Conseil, a marketing and market research consultancy, for £600,000 cash. Vepro made pre-tax profits of £188,000 in 1985 and is trading well in the current year.

The first quarter of 1986 saw Aidcom's turnover showing an improvement and current trading is described by the directors as encouraging.

With the closure and re-organisation programme now over, they are hoping to get profits of the market research operations back to former levels in 1986 — profits here fell from £414,000 to £71,000 in 1985.

Talks are currently taking place for a possible £600,000 takeover in the US in the design area.

Aidcom International's figures fell a long way short of those expected six months ago, but the market was well prepared for the blow and the shares shed just 3p to 46p. The main bugbear was the profits collapse in the market research division where a restructuring programme brought dismissal and recruitment costs, disruption, and management distraction, but the design division also proved a disappointment with margins eroded by an increase in personnel. Only a bright performance in the product development division through AIM Technology's strong advance and a recovery in Husky profits averted a serious overall downturn. With much of the spawdwork on securing the foundations of further growth now complete, and a £200,000 filip to the figures from the acquisition of Vepro in January, the current year could provide the £2.4m profits which the City had once hoped to see in 1985. The prospective p/e ratio of 98 after a 44 per cent tax charge may look conservative, but the City is slow to forgive and the shares will not be rushing to regain their previous levels.

Halma buys sixth company in a year

Halma, safety, security and environmental products group has bought Norgan, Hertfordshire-based maker of sound meters for about £285,000 to be satisfied by the issue of 117,207 Halma 10p shares and up to £100,000 cash, depending on results.

In the year to the end of November 1985 Norgan made pre-tax profits of £108,000 on turnover of £250,000.

It is Halma's sixth acquisition in the last year. Two weeks ago it bought 31 per cent of A & G Electronics for about £2.5m. The group's policy is to buy about five companies operating in similar markets each year.

PRESIDENT'S STATEMENT 1986

"The most important event of 1985 was the publication of the Building Societies Bill. We welcome the challenges offered by the proposed legislation. The paramount aim remains the satisfaction of mortgage demand, backed by a competitive range of services".

• TECHNOLOGY •

"During the year a further 28 Automated Teller Machines came into operation bringing the total to 31. The participation with other leading Building Societies in the MATRIX network of A.T.M.'s commenced in February 1986. This network will provide members with access to their accounts at a greatly increased number of locations".

• SAVINGS AND INVESTMENT •

"A record inflow of funds. Receipts totalled £2,485m, with members' investment accounts increasing from 2.06m to 2.2m".

• MORTGAGE LENDING •

"£870m was advanced including a substantial amount for home improvements. 45% of lending was granted to first time purchasers and 33% was lent on older type properties".

• GROWTH & RESERVES •

"Assets increased by £655m, or 20%, to £3,922m. £26.4m was added to reserves which total £151m, representing a reserve ratio of 3.86%".

• MERGERS •

"The Board extended a warm welcome to members and staff of the Foresters, Hibernian and Merseyside Building Societies, all of which merged with the Society during the year". Highlights from the report given by the President, Robert T. Gardener, C.B.E., F.C.B.S.I., C.B.I.M., to members of Bradford & Bingley Building Society for the year ended 31st December 1985.

BRADFORD & BINGLEY

BRADFORD & BINGLEY BUILDING SOCIETY, CHIEF OFFICE, BRISTOL NEW TOWER, BRISTOL ROAD, BRISTOL

A Member of the Building Societies Association

EFM - a cut above the rest

Results for the year ended 31st January 1986

	1985	1986	
Operating Income	£4-530m	£4-945m	+9%
Pre-tax Profits	£3-539m	£4-120m	+16%
Earnings Per Share	12.9p	16.8p	+30%
Dividends Per Share	4.0p	6.0p	+50%

Copies of the 1986 annual report are available by writing to Bill Johnstone, Director, at the address below, or by telephone on 031-226-4931

EDINBURGH FUND MANAGERS

Edinburgh Fund Managers plc
4 Melville Crescent, Edinburgh EH3 7JB.
Telephone 031-226 4931

UK COMPANY NEWS

Rugby Portland profits down despite recovery

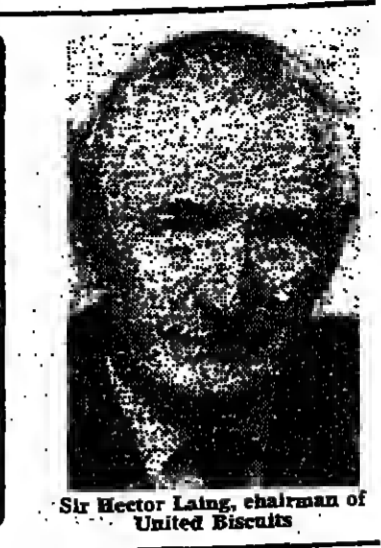
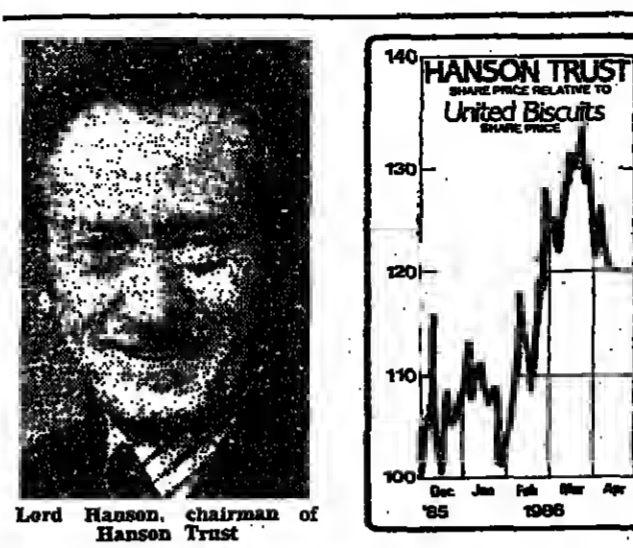
IN LINE with expectations Rugby Portland Cement saw some improvement in the second half of 1985, but not enough to recover the profit fall of the first six months.

Of the turnover, £71.3m (£51.3m) was achieved overseas with trading profits of £7.95m (£9.29m) out of a total of £21.56m (£24.82m). Net interest charges, less investment income, were £2.32m (£21,000) and share of related companies added £3.1m (£3.69m).

£460,000 (£585,000), the profit for the year came out at £17.97m, against the previous year's £17.4m. The chairman says that Rom River Placorp continued its recovery and overseas Cockerburn Cement had a good year with trading profits up by 14 per cent in local currency, despite a fall in the profits of land sales to £445,000.

Martin Dickson on the final stages of the £2.8bn battle for Imperial Signs point to a nail-biting finish

IT LOOKS like being an ending that begins an epic takeover battle: the £2.8bn fight for control of Imperial Group, the tobacco to brewing business, will reach a climax this Friday and the signs are that it will be a nail-biting finish.



Battle was first joined in early December when, in the space of a week, first Imperial and then United unveiled plans for a merger (in the form of an Imperial bid for the smaller United) and then Hanson bid for Imperial, claiming that the merger was merely a defensive pact between two big targets.

There is also a classic symmetry in the clash of cultures between the protagonists and the future they offer Imperial: United Biscuits holds aloft a banner labelled "long term industrial logic".

Imperial's Ros and Young's frozen foods companies would fit with United's McVities frozen products; Imperial's Happy Eater roadside restaurants would complement United's large American rivals in the international food market.

On the basis of last night's closing prices, Hanson says its best offer of shares and convertible stock was worth about 372.5p, against a United offer of shares, cash and convertible preferred shares worth around 365p.

F & C Eurotrust rights issue to raise £6m

F & C Eurotrust, one of the few surviving specialist European listed investment trusts launched in the early seventies when the UK joined the EEC, is raising £6m after expenses with a one-for-four rights issue.

The issue is priced at 221p a share, equivalent to the trust's net asset value assuming full conversion of the convertible stock.

In the year to December 31 1985, Eurotrust's net asset value increased by 49.7 per cent. Since then, it has advanced by a further 18.2 per cent and the directors see more "opportunities for profitable investment".

A 1.85p interim dividend, in lieu of a final, has been declared for the year ending June 30. This payment has been announced earlier than usual, and it is expected the final dividend for the year to June 1987 will be paid in September 1987.

Two Kennedy Brookes executives to resign

TWO EXECUTIVE directors of Kennedy Brookes, the leisure and restaurant group which includes the Wheelers and Mario and Franco chains in London, are to resign to set up their own business.

Mr Neville Abraham and Mr Laurence Isaacson are to form a new company, Lakebird, capitalised at £300,000. Kennedy Brookes has agreed to take a 10 per cent stake in Lakebird and to sell it two leases—those of Cafe Fish in Pantons Street and Bertorelli Bros in Floral Street, both in London—for a total cash consideration of £200,000.

Last week, before the deal was finally agreed between the two directors and Kennedy Brookes, some 200,000 shares owned by Mr Abraham and Mr Isaacson were placed privately at 250p, according to the company's brokers, Hicobens Harrison. The two men still hold 300,000 shares.

The share deal was subject to agreement between the two parties at Kennedy Brookes. It has netted Mr Abraham and Mr Isaacson £500,000. Kennedy Brookes closed at 278p, down 5p on the day.

For the six months to April 1985, Kennedy Brookes achieved £1.68m pre-tax profits on £18.8m turnover. Last May it launched a £9.65m convertible rights

The Hanson side dismisses this as so much emotive claptrap. For it the issue is not one of short versus long-term, or of conglomerate versus synergy, but simply which company could manage Imperial's assets better.

At the moment Hanson appears to have the edge, since it speaks for some 30 per cent of Imperial's shares, and can wield 5 per cent in the market, which United speaks for just 22 per cent and can buy no more. United, however, is claiming some significant defections from the Hanson tally.

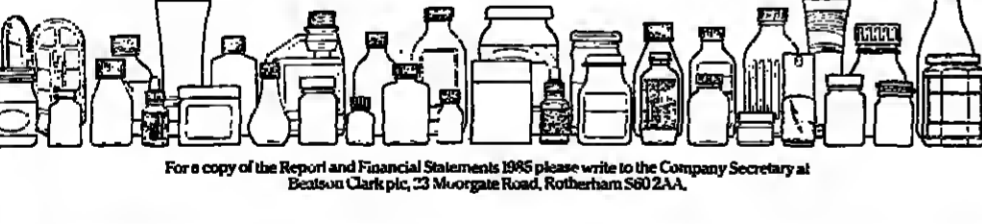
Even without Golden Wonder, Imperial and United insist that a marriage of the two makes great sense; for Imperial, it would mean a much reduced dependence on tobacco (which would account for about 33 per cent of the combined group's 1985 sales, against 29 per cent for brewing and leisure and 38 per cent for food). For United, it would mean access to the strong cash flow from

Beatson Clark returns to profitability

Table with 2 columns: 1985 and 1984. Rows include Sales, Profit/(loss) before taxation, Earnings per share, and Dividend.

"In 1985 all parts of the Beatson Clark business achieved increases in turnover and this higher turnover, together with improved productivity in the main glass container business, has been the basis for a return to profitable trading."

BEATSON CLARK plc



BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

Table listing board meetings for various companies including Grovanor Group, Highland Distillers, Assam-Quorra Holdings, Bousted, Carlton Industries, etc.

DIVIDENDS ANNOUNCED

Table with 5 columns: Company, Current payment, Date, Corrected payment, Total for last year.

Shareholding reshuffle at Hobson

Hobson, the USM - quoted aluminium die manufacturer, has announced a significant reshuffle of shareholdings between two of its directors.

The company was founded by two inventors, Mr George Nicholson and Mr David Stewart, and last year went through a serious upheaval when Mr Nicholson, who claims to have invented the process, was dismissed. His 34.6 per cent stake in the company (3.6m shares) was later placed with 400 new investors.

Mr David Stewart, who remains a director, has now sold 1m of his shares to Mr Rodney Harnett, the Brighton entrepreneur who has now become executive chairman of the company. The sale, for an undisclosed sum, leaves Mr Stewart with 2.6m shares. Mr Harnett also has an option from Mr Stewart over a further 1m shares exercisable on or before April 1988.

COMPANY NEWS IN BRIEF

FRENCH KIER - two former directors of the construction group, which was recently taken over by C. H. Beazer, the last-growing housebuilder, have now resigned. Mr Alan Ertzsime, chief executive of the contracting division of the new merged company, and Mr Tony Gammage, who joined the finance and administration committee of Beazer, have left on mutually agreed terms.

More O'Ferrall PLC 1985 Results - Record Second Half

Table showing profit before tax and earnings per ordinary share for 1985 and 1984, split by 1st and 2nd halves.

Chairman's View

The improvement which we experienced in the second half of last year has continued during the opening months of 1986. This has been achieved by the more stable market conditions in the UK, and by the effect of the management and operational reorganisation throughout the Group which we implemented during 1985.

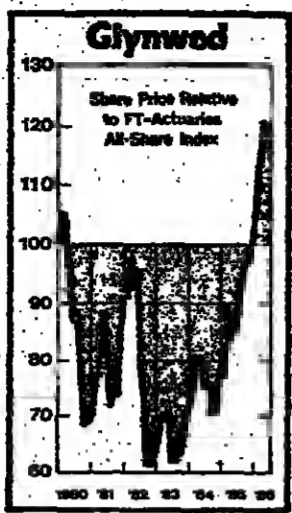
R. W. Gore-Andrews



UK COMPANY NEWS

Glynwed advance leads to £24m debt reduction

Glynwed International made further strong headway through the second six months of 1985...



The assets of Glynwed Castings and Stampings were sold in two transactions after the year-end.

comment

It has taken four years of strong earnings growth before the market has finally reappraised Glynwed's capabilities and prospects...

Blackwood Hodge recovers to £7m but no dividend

THE Blackwood Hodge group continued its recovery in 1985 and for the year saw its profits before tax advance from £3.04m to £7.16m...

funds were reduced by £5.9m to £1.7m. At year-end group borrowings, including the unsecured loan stock and interest-bearing stock financing plans, had fallen by £17.2m to £44.5m.

comment

Blackwood has been handed about as a recovery stock for a long time. With these results the company justified the label by hauling profits back to the level of the late 1970s...

UDO ready for full SE listing

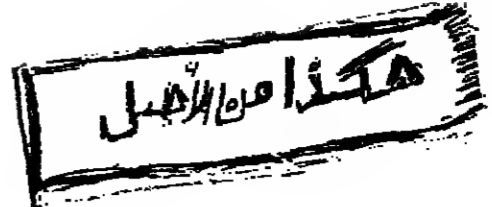
The directors of UDO Holdings, supplier of drawing office and related equipment, feel the group has now reached an appropriate stage to consider an introduction of its shares to the Official List and application has been made...

Macfarlane up 34% and current year starts well

RECORD profits are reported by Macfarlane Group (Clansman) packaging and printing, for 1985, and the dividend is effectively raised from 2.16p to 2.48p, with a final of 1.47p.

potential, says Sir Norman. Controlled Packaging Services of Westbury made major progress during the year, and is now reaping the benefit of its product range and design expertise...

The one disappointing feature of the year was the further losses incurred by Cyro and Farquharson Bros, the copying products companies. These companies have now been merged under the name Cyro in order to reduce costs and rationalise product ranges...



Chrysler Overseas Capital Corporation and Chrysler Corporation, Guarantor

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Section 4.02 of the Indenture dated as of May 1, 1972 among North American Rockwell Overseas Corporation (now Rockwell International Corporation) (the "Company")...

Notarizing and legalizing of this document for the purpose of registration in the Grand Duchy of Luxembourg, at the request of the Company, is hereby certified by the Notary Public for the Grand Duchy of Luxembourg, M. J. H. Schrodter...

North American Rockwell Overseas Corporation (now Rockwell International Corporation) 8 1/4% Guaranteed Sinking Fund Debentures Due 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Section 4.02 of the Indenture dated as of May 1, 1972 among North American Rockwell Overseas Corporation (now Rockwell International Corporation) (the "Company")...

On the Redemption Date, the Debentures shall become due and payable upon presentation and surrender thereof together with all unmatured coupons appertaining thereto (a) at the corporate trust office of Citibank, N.A., 111 Wall Street, 5th Floor, Corporate Trust Services, New York, NY 10043...

Without holding of 20% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Tax Compliance Act of 1983 unless the paying agent has the correct tax identification number (social security or employer identification number) of or an exemption certificate from the payee...

"Given stable currencies and a full year's contribution from 1985's major acquisition, John Carr, a strong recovery is expected." - Maurice Jenkins

Commenting on the results the Chairman, Maurice Jenkins, said: 1985 proved to be a very difficult year made worse by the fall of both the U.S. dollar and even more significantly the Australian dollar. The 1985 profit before taxation would have been some £4,000,000 higher at the 1984 exchange rates.

THE RUGBY PORTLAND CEMENT P.L.C. Results in Brief: Turnover 252.2, Profit on ordinary activities before taxation 21.8, Earnings 18.0, Dividends 9.1. It is our policy to continue to expand the Group's activities with a view to developing further as a widely based building materials company...

QUEENS MOAT HOUSES P.L.C. Placing of £35,000,000 nominal of 10 1/2 per cent. First Mortgage Debenture Stock 2020 at £99.888 per cent. payable as to £40 per cent. on acceptance and as to the balance by 1st August, 1986.

UK COMPANIES

Queens Moat £35m placing as profits expand by 60%

Pre-tax profit of Queens Moat Houses jumped 60 per cent to £10.5m in 1985 with the greatest part of the increase reflecting further advances in the group's longer held properties and the benefits of financial management.

The directors also announce that the company is raising some £36m by way of a placing of first mortgage debenture stock 2000. This is payable as to £40 per £100 on acceptance and the balance by August 1.

More O'Ferrall progresses and profits reach £2.8m

PRE-TAX profits at More O'Ferrall, outdoor advertising and ancillary services, improved from £2.2m to £2.8m in 1985, and the improvement experienced in the second half continued into the opening months of 1986.

The total dividend is increased from 3.4p to 4p net with a final 3p. Stated earnings per 10p share were 6.7p against 5.8p.

Wilson (Connolly) profits advance 28%

SECOND half taxable profits of Wilson (Connolly) Holdings, Northampton-based house builder, contractor, moved ahead from £9.04m to £12.47m and pushed the full 1985 figure up by 28 per cent to £20.29m from turnover of £90.55m.

APPOINTMENTS

Reorganisation at C.E. Heath Group

As part of the management restructuring of the C. E. HEATH GROUP, C. E. Heath (Employee Benefits) and C. E. Heath (Financial Advisory Services) have been reorganised into two specialist operating companies.

Mr Philip Morley has returned from Hong Kong where he was managing director for a GSI Hong Kong and China operations to become marketing director. Mr Edward Dandell has been appointed regional director for Europe and Africa by GSI. He has just returned from running the Alaska division.

More O'Ferrall progresses and profits reach £2.8m

PRE-TAX profits at More O'Ferrall, outdoor advertising and ancillary services, improved from £2.2m to £2.8m in 1985, and the improvement experienced in the second half continued into the opening months of 1986.

The total dividend is increased from 3.4p to 4p net with a final 3p. Stated earnings per 10p share were 6.7p against 5.8p.

Wilson (Connolly) profits advance 28%

SECOND half taxable profits of Wilson (Connolly) Holdings, Northampton-based house builder, contractor, moved ahead from £9.04m to £12.47m and pushed the full 1985 figure up by 28 per cent to £20.29m from turnover of £90.55m.

Landesbank Rheinland-Pfalz: A 100% Decision for Luxembourg. Landesbank Rheinland-Pfalz and Saar International S.A., jointly established in 1978 by the Landesbanks of Mainz (74.9%) and Saarbrücken (25.1%) has become a wholly owned subsidiary of Landesbank Rheinland-Pfalz - Girozentrale, Mainz, Federal Republic of Germany.

THE GUINNESS BID FOR DISTILLERS. LATEST PRICES. Distillers share price worth 705p. Guinness best and final offer worth 766p. Guinness higher by +61p. The Guinness offer is unanimously recommended by the Board of Distillers. The closing date is April 18th at 3pm. GUINNESS PLC

BASE-LENDING RATES table listing various banks and their interest rates for different terms and currencies.

Granville & Co. Limited Over-the-Counter Market table listing various securities and their prices.

FINANCIAL TIMES SURVEY

Tuesday April 8 1986

Employee Ownership

Sharing in, buying out

As many lose faith in conventional capitalism and socialism, the search for a third way of organising employment is suddenly more urgent.

The road from Rochdale

By John Lloyd

JOB OWNERSHIP'S time may be coming. By job ownership, we mean any and all schemes which give workers some direct stake in the companies or organisations for which they work.

The times look more propitious for the movement because, while there is a general disaffection with conventional capitalism (not least because of high unemployment throughout most of Western Europe) there is also a general loss of faith in conventional socialism, defined as state ownership, among the socialist and even the communist parties of the West. The search for a third way is thus more urgent than usual.

The defenders of the first two ways would claim that they offer at least a measure of job ownership. Conventional capitalism, it would be said, is open to all people of talent: a future Sainsbury or Macy is presently shouting for custom in a London or New York street market.

On the state ownership side, fundamentalist socialists say that ownership of the major assets by the state is "public" ownership, held in trust for all the people regardless of wealth, class, race, sex or ability.

But, for the advocates of job ownership, such arguments cut less and less ice, because they are seen to be more and more abstract. Conventional, big corporate capitalism may in theory be open to all to become owners: but in practice, by its own

rules, it must severely limit the successful. State ownership is seen by few as being genuinely public: often least of all by those who work with it.

Historically, job ownership has often been in practice the attempt by workers to take over the ownership and running of their own enterprises, usually after a strike or a market collapse has driven them near to ruin: there has also been a strong strain of "top down" philanthropic endeavour, of which Robert Owen's experiments at New Lanark are the most famous British example.

The 19th century French *Entreprises Ouvrières*, deliberately contrasted with the *Entreprises Patronales*, founded a vigorous co-operative movement which was customarily aggressively anti-capitalist, and which survived to this day; similar developments occurred in Italy, where the flourishing co-operative sector is to a significant extent linked to the powerful and increasingly market-orientated Communist party.

In the UK, the beginnings of producer co-operating in the early-mid 19th century were marked by a mixture of Christian socialism and working-class efforts to get rid of the boss.

The most famous group, the Rochdale pioneers, succeeded in founding a co-operative cotton factory in 1829. It survived the slump in prices in the late

60s, and flourished in the 80s boom; but then it opened its door to new, non-working shareholders who financed a new mill, and quickly became just another joint stock company.

By the early part of the 20th century, there were a little over 100 co-ops, and their numbers tended gradually to decline. Politically, they attracted few friends from right or left: the capitalists saw them, correctly enough, as business failures or simply antechambers to conventional companies; the left, heavily influenced by the trade unions which saw them as a threat and Fabians like the Webbs who thought them un-socialist, turned its back on this route in favour of state ownership and class-based trade unionism.

The 1970s saw a revival of interest in the subject in the UK, as a Labour government took office, pledged to introduce measures of industrial democracy.

The debate, stimulated by the publication of the Bullock Report on the subject, resulted in little more than a short-lived and largely unpopular experiment in the Post Office, in which the Board was re-composed to include equal numbers of management and trade union nominees, with a handful of "independents" holding the balance of power. It produced little or no change at the base, and was terminated soon after

Labour lost office with little evident regret.

More important, though no more successful, the brief tenure of the Department of Industry by Mr Tony Benn (1974-75) resulted in the financing of three co-operatives: the Meriden motor-cycle plant, Kirby Manufacturing and Engineering, and the Scottish Daily News (formerly Express).

The ultimate failure of all of these masks substantial differences between them. The SDN failed rapidly, in spite of the involvement (some would say because, but that is unfair) of the socialist businessman Mr Robert Maxwell: it never achieved a stable circulation.

Kirby, making domestic appliances, never was able to get its workforce involved to the point of substantially changing old anti-boss attitudes; and at Meriden, though the commitment was huge, the co-operative was damaged by going through what Mr Robert Oakeshott (in his book "The Case for Workers' Co-operatives") calls a

"primitive Christian" phase during which they would not hire professional managers because they distrusted all management.

Developments elsewhere have proved to have more lessons for the enthusiasts for job ownership. Perhaps strangest of all, the experience of the Mondragon co-operative, in Spain's Basque country, has become a beacon for co-operatives everywhere.

In the US, a quite separate development was producing a different kind of success. Popular capitalism, a strain which had remained vigorous since the Founding Fathers, was modernised by Louis Kelso and Mortimer Adler in the 1950s and 1960s, and incorporated in a Capitalist Manifesto on the basis of the Employee Share Ownership Plans (ESOPs).

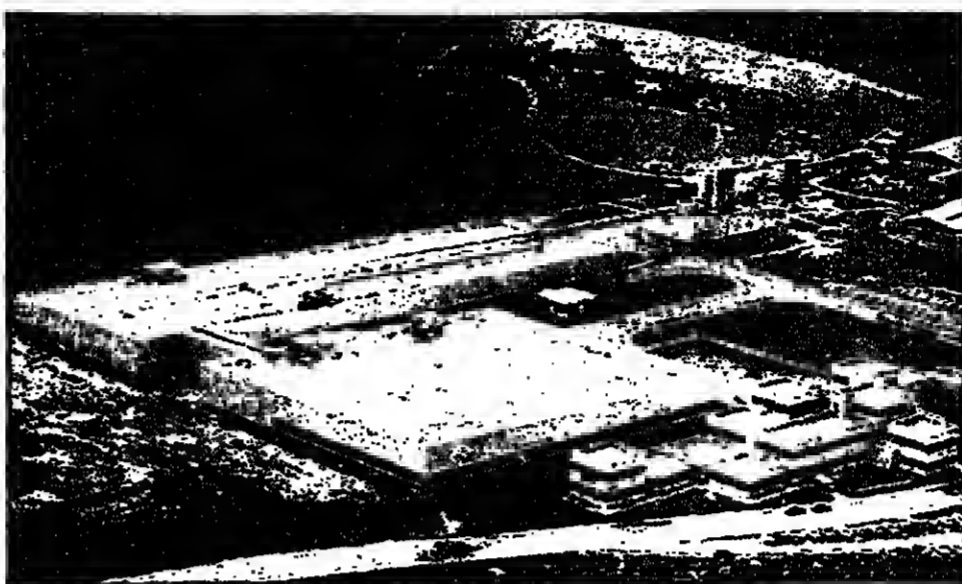
Partly because of the diversity of job ownership strategies, they are now attracting large interest from all shades of the political spectrum.

The other main reason — perhaps the major one — is that most politicians have become convinced that large corporations will not, in the main, expand their labour forces, no matter how successful they are: how much the given national economy is reflation.

Increasingly, a consensus is forming which points to small businesses as the main sector for providing employment — hence the enormous concentration on the figure of the entrepreneur.

We may be witnessing, then, the growth of either a popular capitalism or a non-statist socialism — or the two may be the same phenomenon.

It is hard to envisage these growths, fascinating and important as they are, easily displacing the monoliths of the private or the public sectors in the next decade. But it is easier than it has been for some time to believe that the spirit, both of co-operation and of involvement in the marketplace, is walking abroad more freely.



Fagor domestic appliance plants, in the Mondragon co-operative in Spain's Basque country. Mondragon has become a beacon for co-operatives everywhere. See Robert Oakeshott's profile article on Page 3.

EMPLOYEE OWNERSHIP comes in a variety of forms in Britain. There are fully employee-owned worker co-operatives, discussed in another article. There are companies which distribute shares to their managers and/or employees, usually as an incentive payment using tax breaks contained in recent legislation.

There are privatised companies, where management and employee shareholding is either central, as in the National Freight Consortium and some of the privatised shipyards, or a small element among a wide spread of shareholders, as with British Telecom.

A half of all companies with more than 10,000 employees already lay on an employee share scheme, according to a recent report by Copeman Paterson, a management consultancy. Yet it is certain that the interest in employee ownership will grow, not least because of Government backing.

Scarcely a Budget goes by without some refinements to the three main schemes which encourage employee share ownership: the 1976 profit-sharing scheme; the 1980 save-as-you-earn scheme; and the 1984 discretionary share scheme usually reserved for senior managers.

In addition, management buy-outs are in vogue among financial institutions. The pace of privatisation looks set to quicken. Unions too, are getting in on the act, through the medium of Unit Trust, the union-backed bank, whose senior executives have recently returned from the US determined to introduce employee share ownership plans in Britain.

The Industrial Participation Association has found that the profit sharers did significantly better during the eight years up to 1984: for example, their earnings per share were 12 per cent better and their return on capital employed was 33 per cent better. In their book, *Management Buyouts*, published last year, Mr John Coyne and Mr Michael Wright of Nottingham University found that management buyouts tend to take on labour

Partial ownership
DAVID THOMAS

after the buyout has been completed, though admittedly after a period of job shedding in the run-up to the buy-out.

However, more cautious notes have also been sounded. A recent study by Incomes Data Services concluded "there is very little evidence from detailed analysis that these schemes do in fact change employee attitudes." The Copeman Paterson survey found that between 35 and 45 per cent of companies reported that employee share schemes had had only a small effect in areas like pay negotiations, productivity, recruitment and staff turnover.

There are some structural problems too. The Inland Revenue has approved more schemes under the 1984 discretionary provisions for senior management than under the 1976 and 1980 provisions put together. Some people think that wider share ownership is in danger of being seen as a perk for senior management.

Mr David Reid, a specialist in employee share schemes for Clifford-Turner, the solicitors, points to an extraordinary anomaly in the present law whereby senior executives, but not ordinary employees, get tax relief on money borrowed to invest in their company. The Wider Share Ownership Council has urged the Treasury to consider making tax relief for executive share schemes conditional on a company running a scheme for all employees.

A similar problem is why are there plenty of management buyouts, but fewer buyouts involving most of the workforce. Mr Roger Brooke, a management buyout specialist, for Canslover Investments, suggests this is because of the speed with which most buyouts have to be organised and because most lending institutions are primarily concerned about the motivation of the top managers.

SHARES works for us, works for you.

When the National Freight Consortium was formed in 1982, the concept of sharing business decisions between management and employees was considered by many to be just a theory — with possible radical overtones and deemed to be unpopular with both sides of industry.

"The workers won't be interested in becoming shareholders and neither side will want to bridge the industrial gulf between Management and Employee"

...these and many more were the words of the pundits.

We believe NFC, the United Kingdom's largest transport, distribution and storage operator, has consistently demonstrated that the pundits were wrong.

Over 60% of our employees have a personal stake in the business and with the powerful commercial combination of professional management and employee ownership we are all sharing in the rewards — through a strong growth in turnover, profits and earnings per share — up 58% last year.

The simple buying of shares was not by itself sufficient to achieve a sharing commitment. The key to this successful partnership is communication, and more communication.

Main subsidiaries whose service benefits from being part of NFC.

- BRS BRITANNIA GAS (HEATING) CARTRANSPORT
- COTRAL PICKFORDS CONTAINERS & ROADFERRY
- DOWNWARD PICKFORDS (AUSTRALIA) FASHIONFLOW
- FREIGHT COMPUTER SERVICES (US) MERCHANTS HOME DELIVERY SERVICE (USA)
- NFC PROPERTY GROUP (IRELAND) CARRIERS CONTRACT SERVICES
- NATIONAL CARRIERS ROADLINE NFC PICKFORDS REMOVALS PICKFORDS TRAVEL
- SPD SPD CONTRACT DISTRIBUTION SCOTTISH PARCELS SCOTTISH ROAD SERVICES
- SOMITROL PICKFORDS TANKFREIGHT TEMP CO UNION WASTE MANAGEMENT

In NFC, there is a positive and continuous effort to encourage involvement and participation.

In a service industry such as ours, we know that our customers are happy to be served by an organisation whose representatives have a shared interest in providing satisfaction.

Make our employee ownership the "growing concern" that works for you.



NFC

National Freight Consortium p.l.c.

The Merton Centre
45 St Peter's Street
Bedford MK40 2UB

Telephone (0234) 67444

Telex 826803

Facsimile (0234) 50201

Employee Ownership 4

Watch out for the cross-party consensus

THOSE WITH a taste for the long march of history can trace back this country's political interest in profit sharing and employee ownership to the famous report, *Britain Industrial Future*, published in 1928 as the outcome of a Liberal Party industrial enquiry.

Ten years later, the party was beating much the same drum with another report, *Ownership for All*, which was praised in a Manchester Guardian leader for "breaking new ground."

Nearer to our own times, it was, of course, as a result of Liberal pressure during the Lib-Lab pact, that a British Government in the 1978 Finance Act, introduced the first ever tax concessions in favour of profit sharing and share ownership by employees.

If the clock had stopped in 1978, it is a fair bet that future historians would have discussed—and dismissed—this Liberal commitment as yet another example of the party's espousal of worthy lost causes. Yet over the last few years, and increasingly over the last few months, it is spokesmen for the other

The future
ROBERT OAKESHOTT

parties, rather than Mr David Steel, who have sought to emphasise the virtues of employee ownership and profit sharing, and their own commitment to them.

It was John Moore, not David Steel, who told a distinguished audience in 1984 that "employees who are also owners will correctly perceive an absolute identity of interest between themselves and the success of the companies for which they work."

It was Roy Hattersley, not David Steel, who told a different but equally distinguished audience last month that "genuine share incentive schemes increase the wealth and influence of the employees who take part in them, as well as contributing to the economic performance of the companies."

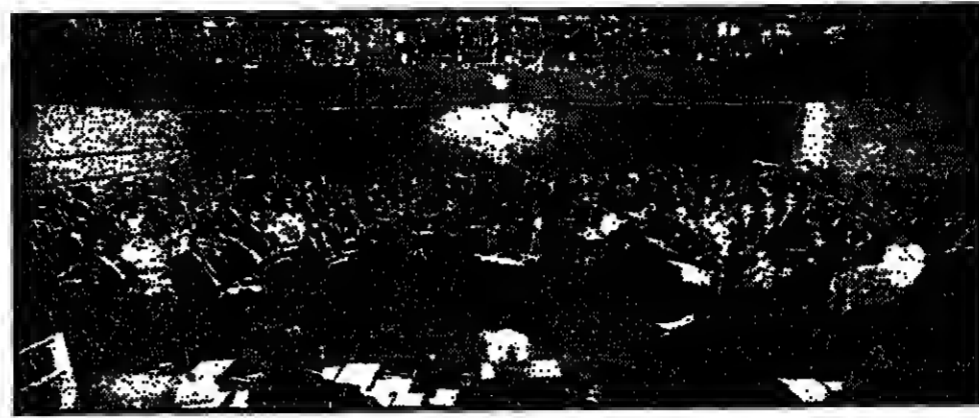
Moreover, if there is a party which, more than any other, has devoted intellectual energy to these issues over the last

two years it is the SDP. David Steel, to be fair, reaffirms in his latest pamphlet, published at the end of March, his party's strong commitment to profit sharing and employee ownership.

As we shall see later on, the new political consensus, if there is one, conceals important differences of emphasis and objectives. There may also be more political calculation than conviction behind any Labour and Tory party conversion to employee ownership and profit sharing which has taken place.

But it will not only be the policies of political parties that determine the future of employee ownership and profit sharing in this country and elsewhere. Equally, or more important, will be judgments about the benefits which "industrial partnerships," or similar arrangements deliver. Other articles in this survey provide some of that evidence. What reasonable conclusions may be drawn?

In this country, to begin with, there seems to be good evidence that limited employee share ownership, of the kind first



A meeting of the Central Council of the John Lewis Partnership

made possible by the 1978 Finance Act, is becoming increasingly popular with both the management and the workforces of otherwise conventional capitalist companies.

But an important rider needs to be added to this positive evidence. Schemes introduced under the 1978 Act, and later amendments to it, must be open on an equal basis to all employees. In marked contrast, as their name implies, are discretionary share option schemes, approved under the 1984 Finance Act. The latter must benefit only a favoured few. But companies have been introducing them over the last couple of years, even more rapidly than those very different ones under the 1978 Act.

However, the key point about the evidence that their introduction is divisive. They have a tendency to demotivate the many, even if they provide very special incentives for the few.

It is not only the opposition parties which have been voicing criticism. The Wider Share Ownership Council has urged that discretionary schemes should only be permitted to companies that have introduced "open and equal" schemes, under the 1978 Act, as well.

An insistence on "open and equal" employee (share) ownership schemes also figures prominently in a positive set of statements, in favour of them, which has lately been made from a rather unexpected new quarter. Unity Trust is formally registered, not as a bank but as a "licensed deposit taking institution." But it has money to invest, and in that

and other ways, is more like than unlike an investment bank. It is owned jointly by the Co-operative Bank and some of our leading trade unions.

Mr Terry Thomas, Unity Trust's managing director, is an important witness in an assessment of the likely benefits of increased employee ownership in this country for he has lately returned from a "straight" visit to the US. With one important and analytical proviso, he has come back as a most convinced and forceful advocate.

After what he has seen in the US, Mr Thomas believes that genuine employee ownership can confer real benefits not only inside the firm but to its customers. In this respect, his message is very like the main one carried in its advertisement in this survey by National Freight.

His analytical point is also worth bringing out. For, in the UK debate about employee ownership, it is too often assumed that the choice is between relatively limited forms, as under a 1978 Act scheme, or still more substantial employee ownership as at National Freight.

Mr Thomas argues the case for considering a third alternative in appropriate conditions, namely an employee sharehold scheme, under a 1978 Act scheme, or 20.9 per cent. He defends the lower limit, because it would enable employees voting together to block a special resolution. He defends the upper limit, anyway for quoted public companies, because it avoids any obligation on the part of employee shareholders to mount a take-over bid.

and National Freight, suggests that the argument is false. It also suggests that, so long as employee-owned firms are able to recruit and retain high-quality management, there is no reason why the degree of employee ownership, whether collective or individual, should not extend to 100 per cent.

As well as employee ownership, this survey has had as its focus profit sharing—but profit sharing in the traditional sense, which assigns to employees some part of the return to the joint efforts of capital and labour which conventionally goes to the former.

Space does not permit more than a passing reference to profit sharing in the sense in which it has lately come to be used as result of the work of Professor Martin Weitzman, of the Massachusetts Institute of Technology. This second type is more like share-cropping, or like the share system of remuneration in the Scottish inshore fishing fleet which has operated for as long as anyone can remember.

If profit sharing of this second kind is adopted, labour's fixed wage, or part of it, is replaced by a share of net revenues. It was, of course, towards arrangements of this second kind that the Chancellor, Mr Nigel Lawson, was primarily pointing when he announced

his important new initiative in the budget speech.

To support or oppose employee ownership does not necessarily imply any position, positive or otherwise, in relation to profit sharing of the Weitzman variety.

It is notable, for example, that the SDP's draft policy proposals in this area cover both. Nevertheless, it is also worth remarking that important SDP voices, perhaps above all that of Professor Rhaide Dore, have expressed considerable scepticism about the benefits claimed for the Weitzman proposals and about the Japanese evidence which he adduced in support.

By contrast, the evidence for employee ownership, though still patchy, seems increasingly to point in one direction. It also seems to be in line with the common-sense proposition that people work best when they work mainly for themselves. And it has begun to attract support from the most unexpected quarters.

Could anyone have conceived, even five years ago, let alone at the time of the Budget Report, that its advocates in 1986 would include Mr Roy Hattersley and the managing director of an investment institution with trade unions among its chief shareholders?

What on earth would the Webbs have made of it?

GAS CENTRAL HEATING: IT'S NOT WHICH BOILER, IT'S WHICH BAXI?



There's nothing as lovely to live with as gas central heating.

But which type of boiler should you choose? Allow Baxi to present the alternatives. The Baxi wall mounted boiler takes up no space at all. You can site it almost anywhere. Kitchen, garage, even in a cupboard.

Yet it has all the performance and engineering quality you'd expect.

Bermuda GF Fireside Central Heating. A handsome fire featuring - for the first time ever - flickering, dancing, living flames.

Yet behind that classic exterior - neatly tucked into the existing fireplace - is a powerful, efficient boiler. Powering all the radiators and hot water you need.

The Baxi floorstanding boiler. Designed in the 80's for the 80's and beyond. It embodies sophisticated control technology, and outstanding performance.

Incredibly neat and compact, some models actually fit under a kitchen worktop. So the choice is yours. Baxi, Baxi or Baxi?

Made and sold by Great Britain's leading manufacturer of gas home heating products.

BAXI PARTNERSHIP LTD

staff of high powered management professionals.

If an individual co-operative is in trouble, or if it is contemplating a major investment, then it is these professionals who are called in to advise and assist. Equally, it is they who have had the main responsibility for midwifing new co-operative ventures from scratch.

The main characteristic handicaps of small businesses in general, and of small industrial co-operatives in particular, are inadequate finance and management resources. But it is precisely in these two areas that the Mondragon co-ops have succeeded because of its highly original institutions, has enjoyed an immense comparative advantage.

But has it also enjoyed a comparative advantage because of its employee-owned and co-operative character? How far can Mondragon's success be attributed to the way its businesses are structured? Two points are worth making.

First, Bradley and Gelb's work includes evidence that Mondragon's worker owners, both management and shop floor, value their co-operative structure very highly indeed.

The second point is about the effects on employment of the Mondragon structures. The group's commitment to an open-door policy of extending employment wherever possible and sensible is identified as the last of the key features in the box. Perhaps it should be elevated to first place.

In any event, it would be hard to argue convincingly that it did not underpin the enormous expansion of the group during the economy's upswing; from a total workforce of a few hundred in 1980, to a figure of over 18,000 20 years later.

Equally, it would be hard to argue that there is no link between its structures and the group's success at maintaining employment during the recession.

But of course, the group's success in the past does not tell us anything conclusive about what will happen in the future. The Mondragon co-ops can only point the way to a new industrial order so long as they remain successful as businesses.

Mondragon co-ops

Continued from previous page

London School of Economics, and Mr Alan Gelb, of the World Bank; institutions more notable perhaps for prudence and credit worthiness than for "enthusiasm."

These specialists have concluded that the co-operatives have outperformed their conventional capitalist counterparts in both phases of the business cycle.

During the long upswing, they showed higher rates of growth not only in relation to employment but also in terms of productivity and profits. And they have been strikingly more successful in containing the effects of recession.

There have, it is true, been some voluntary redundancies. But, in the main, the group has managed to contain the employment effects of the recession by other means. By a readiness to accept lower real earnings on the part of the worker owners; by redeploying members from contracting to expanding co-ops and to newly started ones; and by other policy decisions reminiscent of Japanese businesses; for example decisions to accept zero profits as a price worth paying for extra market share.

The evidence suggests, in other words, that if we are assessing Mondragon's industrial co-ops as businesses, then it would not be too strong to use the same word, "exemplary," which Dinerio applied to Ulgor. Moreover a close examination of the record would yield much the same conclusion about the CLP as a bank.

As a bank, CLP's essential function has been to mobilise local savings and then to invest them to meet the financial needs of the group as a whole. But it has also performed two other crucial functions.

First, through the mechanism of a "contract of association," which all the individual co-ops must sign with it, the CLP has exercised a substantial measure of overall control. The contract spells out the main constitutional and financial rules which the co-ops must follow. Under the terms of the contract the co-ops are further required to agree their plans and budgets with the bank and to report their results on a monthly basis.

In this way the bank has come to perform functions of entrepreneurial intervention and control for the individual co-ops and for the group as a whole. It has done so through what until last year was its "Empresarial Division," now a separate undertaking. This has provided the group with an in-house "general

Main Group Statistics End 1985

Industrial co-ops	90
All other co-ops	19,163
Members employed	18,163
Sales	\$21.63
Exports	\$230m*
*Converted at 155 pesetas to \$	
Source: CLP.	

FAGOR: A SUCCESSFUL CONCEPT

It is quite possible that you have already heard of the FAGOR Group, one of the Spain's leading industrial conglomerates.

You may have heard the name in connection with electronic components, numerical control systems, robots, automobile components, home appliances, etc.

Over the past 10 years, in spite of the difficult state of recession in national and international markets, our sales have increased by 631%. In 1985, sales exceeded 50,700 million pesetas, with 30% of sales being accounted for by exports.

We sell technology and manufacturing licences to 15 countries and export to 70 countries. Our sales include complete turn-key plants.

FAGOR began in 1956 when five young technicians set up a co-operative company for the manufacture of oil stoves, with installations covering 2,000 m².

Today, FAGOR consists of 14 companies covering a total floor space of 387,857 m².

FAGOR

Fagor: a case of advanced technology

Closely linked to a basis of scientific research, the FAGOR Group constitutes a focus of applied technological research systematically turning the results of research into innovative products and services.

Fagor sees the whole world as its market

The FAGOR Group defines itself as a multi-product and multi-market company.

Fagor: a Group which believes in participation

The FAGOR Group operates with the support drawn from the active participation of all its workers. Modern organization and the spirit of co-operation combine to achieve the highest levels of efficiency and quality, all at the service of our customers.

CLIFFORD-TURNER Lawyers

We seek additional lawyers (solicitors or barristers) to join the Employees Share Scheme Unit in our London office.

Lawyers in the Unit advise a wide variety of businesses upon the establishment of equity participation schemes.

Our clients include not only public companies and multinationals but also fast growing private companies and other business entities.

Many of the projects on which we advise are novel and require an innovative and creative approach. Certain projects have a large international element.

In order to succeed in this demanding and interesting field the successful applicant will require a special knowledge of tax company and trust law and an appreciation of company accounts and other commercial considerations.

We invite applications from lawyers with the relevant knowledge and experience or young lawyers of outstanding ability who are willing to develop the necessary expertise.

Please write to:
David E. Reid,
Tax Partner,
Clifford-Turner,
Blackfriars House,
19 New Bridge Street,
London EC4V 6BY

CLIFFORD-TURNER
London, Paris, Brussels, Amsterdam,
Madrid, Singapore, Riyadh, Tokyo

COPEMAN PATERSON

Britain's leading management consultants specialising in EMPLOYEE SHARE SCHEMES and RELIABLE INCENTIVE SYSTEMS

The benefit of unrivalled experience in installing Employee Share Schemes

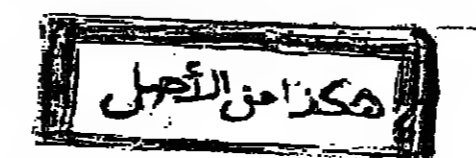
1. We have installed for companies many different versions of the three basic types of share scheme, both in the UK and extending to over 20 countries abroad.
2. Our schemes are tailored to meet your needs - giving your employees maximum motivation at an economic cost.
3. Our services cover the full range from the design of schemes through to documentation and the crucial stage of employee presentation.

Reliable Incentive Systems

1. We have years of experience designing and installing reliable incentive systems including the profit-based type referred to by the Chancellor.
2. Our systems frequently use the well developed self-adjusting norm principles in order to avoid:
 - giving away company money;
 - fixing the scheme in the past;
 - distracting attention from the main task - serving your customers.

COPEMAN PATERSON has advised over 350 clients on the design and installation of cash incentive systems, employee share schemes and other motivational rewards. CPL is a member company of Martin PaterSON Associates Limited. The Group provides a comprehensive range of services on all aspects of employee remuneration, pensions and benefits.

TELEPHONE 01-828 9253
GEORGE COPEMAN OR STEPHEN COLLINS OR CAROL ARROWSMITH
10 BUCKINGHAM PLACE, LONDON SW1E 6HX



COMMERCIAL LAW REPORTS

Digest of cases reported in Hilary Term

FROM MARCH 5 TO MARCH 26, 1986

Westcott (HM Inspector of Taxes) v Woolcombers Ltd (FT, March 5)
The parent company acquired the issued share capital of three companies for £1,270,380. It transferred the shares to a subsidiary, Topmakers, in exchange for an allotment of shares...

owners were not to be liable for cargo damage. But the charterparty stipulated that all bills of lading were to be subject to a clause paramount which rendered the shipowners liable under the Hague Rules for damage to cargo...

The Derbyshire (FT, March 19)
The Employers' Liability (Defective Equipment) Act 1969, section 1, lays down that an employer is liable for an employee's injury or death where he is provided with faulty equipment...

Hamblett v Geoffrey (HM Inspector of Taxes) (FT, March 7)
In January 1984 Miss Hamblett, who worked at GCHQ, undertook not to join a trade union in return for a bonus of £1,000. In dismissing her appeal against a decision that this sum was a taxable 'emolument' under the Taxes Act, Mr Justice Knox said that the payment emanated from her employment because: (1) the offer was made to all GCHQ staff and was in no degree personal to her as opposed to other employees...

Royal Institution of Chartered Surveyors v Director-General of Fair Trading (FT, March 14)
In an appeal by the Royal Institution of Chartered Surveyors (RICS) from answers given by Mr Justice McNeill in preliminary questions in proceedings for the removal of particulars from the register of restrictive agreements under the Restrictive Trade Practices Act 1976, RICS argued that the charter was a grant by the Crown and was not subject to a restrictive 'agreement or arrangement' between members inter se. In dismissing the appeal, the Court of Appeal held that although a member probably made a personal bilateral agreement with the RICS, he was also bound to comply with the provisions of the charter, which governed his relations with other members...

Eager v Winter and Others (FT, March 21)
Bayer obtained an Anton Piller order and a Mareva injunction in proceedings against the defendants. An order was then granted to examine documents seized by virtue of the Anton Piller order for proceedings in Switzerland and Austria, instituted with the object of preventing disposal of the defendants' assets in those countries. In refusing to discharge the order, Mr Justice Hoffmann said that it did not offend against principle or policy. While a multiplicity of suits should be discouraged, Bayer had no wish to litigate the merits in foreign courts and the proceedings there were only ancillary to enforcing a judgment which Bayer might obtain in the local action.

Haughton v Otis Line (UK Ltd) (FT, March 11)
Miss Haughton was employed on a German cross-Channel ferry as a temporary supermarket cashier. Her contract of employment was governed by English law, and her employer was an English company based in Sheerness. After Miss Haughton's employment ceased, she instituted a claim before an Industrial Tribunal under the Sex Discrimination Act 1975. The Court of Appeal upheld the decision of the Industrial Tribunal and the Employment Appeal Tribunal that there was no jurisdiction to entertain Miss Haughton's complaint because her work was done mainly outside Great Britain.

Regina v Monopolies and Mergers Commission and Secretary of State for Trade and Industry, ex parte Argyll Group plc (FT, March 18)
At first instance, the judge refused Argyll Group's application for judicial review of the decision of the chairman of the Monopolies and Mergers Commission that he lay aside a reference under the Fair Trading Act 1973, of the proposed merger between Guinness and Distillers on the ground that the original proposal referred to him by the Secretary of State had been abandoned. On Argyll's appeal, the Court

In re Holliday and Co Ltd (FT, March 25)
Holdings was the beneficial owner of all the issued share capital of its subsidiary, Holliday. On Holliday's winding up, Holdings asserted that the declared but unpaid dividends due to it from Holliday were an outstanding 'loan'. Mr Justice Mervyn Davies upheld the liquidator's contention that Holdings was due to Holdings in its capacity as member and not in its capacity as lender, so that they could not be deemed to be a debt of that company payable to that company under section 212 of the Companies Act 1948. There was nothing to indicate an agreement, express or implied, that the character of the dividends was changed to that of a loan, or that recognised a loan situation, the judge held.

Kenline Shipping (Private) Ltd v An Bord Rannas (The C Joyce) (FT, March 12)
Under a charterparty ship-

F.T. CROSSWORD PUZZLE No. 5,991

Crossword puzzle grid with numbers 1-30 and letters in some cells.

- ACROSS
1 American sent back in Jack's and Paul's place (6)
4 Always increasing? (5)
10 Submit to pressure and return to the base camp? (5, 4)
11 Riffing question for a model (5)
12 One hundred in it is twice reduced by 50 per cent (4)
13 Strain results from his work (10)
15 Company wildly flinging money about is not exercising it (7)
16 To some extent more willingly (6)
19 Revised point I'd put to Edward (6)
21 Given reason for having been observant (7)
23 Outstanding figure in the finance world (7, 3)
25 Period showing style (4)
27 An out-of-place plea for innocence (5)
28 Litter that may be picked up (9)
29 Danish fashion (8)
30 Worker goes in taxi from Cambridge (6)
DOWN
1 Idle indication that credit has finished? (4, 4)
2 Slightly unworldly feature of wet weather (4-5)
3 Inhuman boss (4)
5 In grave trouble, certainly in a pickle (7)

In re Application by Generics (UK) Ltd (FT, March 26)
Generics applied to the Comptroller-General for settlement of terms of its 'licences of right' under two patents owned by Allen & Hanbury's Ltd. It was particularly concerned to import from Italy where Allen & Hanbury's patent was not afforded protection. The right to import was banned except in 'exceptional circumstances'. The comptroller took the view that he had no power to prevent importation from a non-EEC country in the absence of exceptional circumstances. Mr Justice Whitford said that it was within the comptroller's discretion to ban importation from outside the EEC though there were no exceptional circumstances if the public interest so required. Importation from within the EEC must await a ruling from the European Court.

FINANCIAL TIMES REPORT MUSEUMS & GALLERIES. To be printed on SATURDAY MAY 17 1986. For details of advertising rates, please contact JULIA CARRICK 01-489 0029. Publication date is subject to change at the discretion of the editor.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts and their performance metrics. Columns include trust names, managers, and numerical values.

AUTHORISED UNIT TRUSTS & INSURANCES

Main table containing financial data for various unit trusts and insurance companies, including columns for company names, fund names, and numerical values.

INSURANCES section containing a list of insurance companies and their respective financial details.

Handwritten signature or initials at the bottom left of the page.

Handwritten text in a box at the top right of the page.

INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and overseas funds, including Standard Life Assurance Co Ltd, Teachers' Assurance Company Ltd, and Transatlantic Life Assur Co Ltd.

Table listing insurance and overseas funds, including British Fund Managers (Guernsey) Ltd, Carlife Assurance Group, and Hollis Scandinavian Fund Ltd.

Table listing insurance and overseas funds, including MIM (Jersey) Limited, M&G (Guernsey) Ltd, and M&G (Jersey) Ltd.

Table listing money market funds, including Warburg Investment Management Jersey Ltd, Schroder West Services (Jersey) Ltd, and J. Henry Schroder Wagg & Co Ltd.

Table listing offshore and overseas funds, including Standard Life Assurance Company, Winkler Life Assur Co Ltd, and Sun Life of Canada (UK) Ltd.

Table listing offshore and overseas funds, including Carlife Assurance Group, Carlife Assurance Group, and Carlife Assurance Group.

Table listing offshore and overseas funds, including MIM (Jersey) Limited, M&G (Guernsey) Ltd, and M&G (Jersey) Ltd.

Table listing money market bank accounts, including The Charities Development Fund, The Money Market, and Seven Arrows Fund IV.

Table listing traditional options, including TSB Life Ltd, Target Life Assurance Co Ltd, and TSB Life Ltd.

Table listing traditional options, including Carlife Assurance Group, Carlife Assurance Group, and Carlife Assurance Group.

Table listing traditional options, including MIM (Jersey) Limited, M&G (Guernsey) Ltd, and M&G (Jersey) Ltd.

Table listing traditional options, including The Money Market, Money Market Bank Accounts, and Money Market Bank Accounts.

TRADITIONAL OPTIONS

Table listing traditional options, including 3-month call rates, M. G. Tyrrell & Co. Ltd, and US Federal Securities Fund SA.

COMMODITIES AND AGRICULTURE

Indonesia plans to boost tin output

INDONESIA will boost its tin output to 27,000 tonnes this year from the 22,000 tonnes a year it was restricted to under the now-defunct International Tin Agreement...

Mr. Sutjatmiko, the company's chief executive, said Tambang Timah aimed to contribute 80 per cent of the increase.

"With the quota system abolished we will now be able to have fair competition against non-ITC members who so far have enjoyed smooth trading as a result of the ITC members struggle," he declared.

Indonesia the second largest tin producer after Malaysia, helped to scupper a rescue package for the tin agreement last month when it refused to cooperate unless non-members like Brazil and China were also included.

Soviet officials said 1,300 tonnes (21,500) had been allocated for bonuses to be paid to state farms which meet their grain production targets...

THE AUSTRALIAN Wheat Board said it had firm commitments for export sales totalling more than 1.6 million tonnes in its 1985-86 selling season...

PAKISTAN has lifted import and price controls on edible oils, breaking state-run Ghee Corporation's 13-year-old monopoly.

INSPIRATION Consolidated copper Company, has proposed a 27 per cent cut in wages and benefits for unionised workers at its Arizona copper operations.

The proposal was made at the start of bargaining at the weekend with leaders of nine unions representing 630 hourly employees whose contracts expire on June 30.

KENYAN tea supplies available in Britain, which last year imported 34 per cent of its tea from Kenya, are unusually low and could fall short of requirements...

DEMAND at yesterday's weekly London tea auction was "fairly good," according to the Tea Brokers' Association's official report.

The average prices for quality and medium grade teas were unchanged at 194p and 154p a kilo respectively...

THE GOVERNMENT'S decision to sell the Cambridge-based Plant Breeding Institute and its marketing arm, the National Seed Development Organisation...

Foundation had been charged with the production of wheat which would stand heavy doses of nitrogen without toppling over...

The best example of what I mean was the development of the dwarf wheats which became one of the prime successes of the Green Revolution.

Comex bids to revive its flagging fortunes

BY STEFAN WAGSTVL

COMMODITY EXCHANGE INC (Comex), New York's rival to the London Metal Exchange, yesterday launched a new contract — the world's first traded option in copper.



Traders hope that it will restore the exchange's fortunes after the buffeting it has received in the past year.

While Comex has escaped the direct impact of the tin crisis which hit the LME, it has been beset with a series of setbacks.

It is struggling to get over the affair of Volume Investors, a trading company which collapsed last March setting off a spate of law suits and prompting an investigation by the Commodity Futures Trading Commission...

At the same time, Comex, like the LME, is suffering from a severe decline in business.

Many investors have deserted metals for the more lively market in the development of its own shift which has hit Comex's two biggest contracts, gold and silver...

The exchange's argument with the CFTC has come at an inconvenient moment since 1986 is the year that the US Congress carries out a four-yearly review of the CFTC's performance.

CFTC has been particularly active of late in its scrutiny of the rules and regulations of US exchanges.

At the same time, Comex, like the LME, is suffering from a severe decline in business.

More importantly, Comex is proposing its first financial futures instrument — a contract with a secondary Wall Street equities.

take liquidity from a market that's already there.

Unfortunately, Comex officials are still embroiled in the aftermath of the Volume Investors affair.

Other Volume Investors customers — mostly professional Comex traders — were furious when the exchange liquidated their accounts...

The clearing association has adopted minimum margins for out-of-the-money options for all trades and expanded its capital based position limits to options.

Comex does have some considerable strengths. It is the biggest metal trader in the US.

It does have 778 full members trading futures and options.

Despite its difficulties, Comex does have some considerable strengths. It is the biggest metal trader in the US.

Comex is now planning to raise the premium for metal contracts in Britain.

LONDON MARKETS

THE SLIDE in coffee values continued on the London futures market yesterday with the July position adding 557 to last week's \$125 fall to \$2,322 a tonne.

On the sugar futures market, massed buy orders led to new 21-year highs as Friday's New York gains were consolidated and further impetus was provided by reports of rain threatening to disrupt the Cuban harvest next week.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

Higher grade (unofficial) + or - High/Low

Official closing (am): Cash 978.00 (977.5-978.5), three months 982.4 (982-982.8), settlement 980 (978), turnover 29,150 tonnes.

COPPER

Official closing (am): Cash 255.5-6 (255.5-256), three months 261.5-2 (261.5-2), settlement 256 (254), final carb close 261.5-2, turnover 7,200 tonnes.

LEAD

Official closing (am): Cash 255.5-6 (255.5-256), three months 261.5-2 (261.5-2), settlement 256 (254), final carb close 261.5-2, turnover 7,200 tonnes.

TIN

Official closing (am): Cash 441.5-2 (441.5-442), three months 452.5-3 (452.5-3), settlement 442 (447), final carb close 454.5, turnover 4,100 tonnes.

NICKEL

Official closing (am): Cash 2,740.50 (2,739.75-2,741.25), three months 2,770-300 (2,765-2,775), settlement 2,740, turnover 2,010 tonnes.

ZINC

Official closing (am): Cash 2,740.50 (2,739.75-2,741.25), three months 2,770-300 (2,765-2,775), settlement 2,740, turnover 2,010 tonnes.

GOLD

SILVER

INDICES FINANCIAL TIMES

Table with 4 columns: Index Name, April 4, April 5, April 6, Year Ago. Includes Dow Jones, Nikkei, etc.

MAIN PRICE CHANGES

Table with 4 columns: Commodity, Price, Change, Unit.

MEATS

Table with 4 columns: Meat Type, Price, Change, Unit.

COFFEES

Table with 4 columns: Coffee Type, Price, Change, Unit.

MEAT COMMISSION

Table with 4 columns: Meat Type, Price, Change, Unit.

COCOA

Table with 4 columns: Cocoa Type, Price, Change, Unit.

COFFEE

Table with 4 columns: Coffee Type, Price, Change, Unit.

SOYABEAN MEAL

Table with 4 columns: Soyabean Meal Type, Price, Change, Unit.

SILVER

Table with 4 columns: Silver Type, Price, Change, Unit.

COTTON

GAS OIL FUTURES

Table with 5 columns: Month, Latest Close, Change, Business Done.

CRUDE OIL FUTURES

Table with 5 columns: Month, Latest Close, Change, Business Done.

FREIGHT FUTURES

Table with 5 columns: Month, Latest Close, Change, Business Done.

POTATOES

Table with 5 columns: Month, Latest Close, Change, Business Done.

SPOT PRICES

Table with 5 columns: Commodity, Price, Change, Unit.

CRUDE OIL FOR

Table with 5 columns: Month, Latest Close, Change, Business Done.

PRODUCTS - North West Europe

Table with 5 columns: Month, Latest Close, Change, Business Done.

MEAT COMMISSION

Table with 5 columns: Month, Latest Close, Change, Business Done.

COCOA

Table with 5 columns: Month, Latest Close, Change, Business Done.

COFFEE

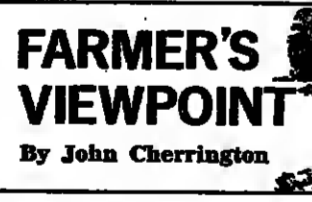
Table with 5 columns: Month, Latest Close, Change, Business Done.

SOYABEAN MEAL

A FINANCIAL TIMES SURVEY MERSEYSIDE FRIDAY, MAY 23 1986. Introduction: The "Merseyline Initiative" five years on. The Politics of Merseyside. Merseyside's Successes. Cammell Laird. Case-study: Merseyside's Big Employers. Inter-City Policies. The Port, The Freepport and their Prospects. The Bishop and the Archbishop. For a full Editorial Synopsis and details of advertisement rates, please contact BRIAN HERRON, on 061-524 9381 or write to him at: FINANCIAL TIMES, Queen's House, Queen Street, Manchester M2 5HT. Tel: 666813. EUROPE'S BUSINESS NEWSPAPER.

Nuclear Industries. The Financial Times proposes to publish a Survey on the above. The provisional data and editorial synopsis are set out below. PUBLICATION: MAY 30 1986. COPY DATE: MAY 15 1986. 1. Introduction. 2. Economics of nuclear power. 3. Britain. 4. France. 5. West Germany. 6. Scandinavia. 7. Low Countries. 8. Switzerland. 9. Spain. 10. Italy. Advertising information: Information on advertising can be obtained from WILLIAM CLUTTERBUCK, Tel: 01-248 8000 ext. 4148 or your usual Financial Times representative. Details of Financial Times Surveys are subject to change at the discretion of the Editor. FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER.

Privatising the plant breeders



FARMER'S VIEWPOINT

By John Cherrington

THE GOVERNMENT'S decision to sell the Cambridge-based Plant Breeding Institute and its marketing arm, the National Seed Development Organisation, has been greeted with considerable alarm by many British cereal farmers.

Prospective buyers of the PBI probably have this point well in mind.

There is one aspect of plant breeding which is not yet possible with wheat and barley — nor is it likely to develop into an on-farm practice.

Hybrid maize seed has to be repurchased from source every year, as using second-year seed from hybrid maize is not a practical proposition.

This means that maize-breeding companies are in a strong position and many would like the same situation to arise in wheat.

So far, in spite of great expenditure on research, the development of hybrid wheat is still not established as commercially feasible.

There is one further consideration. Many farmers respect the independence of the PBI which, since its establishment in 1912, has developed a number of cereals and other crop varieties which become household names among farmers.

They feel this independence could be lost if it was commercialised and maximisation of profit became the main criterion. But until the breeders succeed in hybridising wheat I doubt if this danger is very real.

In France plant breeders' rights have existed for a long time and this is reflected in French farmers' approach to seed procurement.

French seed houses are generally small family concerns whose sales are mischievously some British standards.

CURRENCIES MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound strong

The dollar was stronger on the foreign exchanges yesterday, as oil prices rose; positions taken ahead of the European Monetary System...

£ IN NEW YORK

£100 = 168.50-168.75 from 168.25-168.50. The dollar was stronger on the foreign exchanges yesterday...

FINANCIAL FUTURES

Sterling prices up

Sterling denominated interest rate contracts were firm on the London International Financial Futures Exchange yesterday...

A peak of 128-15 and closed at 128-16, compared with 123-24 previously. Three-month sterling deposits for June delivery opened at 90.35...

POUND SPOT-FORWARD AGAINST POUND

Table with columns: Day's movement, One month, Three months, Six months. Rows include US, Canada, Netherlands, Belgium, Denmark, Ireland, Portugal, Spain, Norway, France, Japan, Australia, New Zealand.

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Table with columns: Day's movement, One month, Three months, Six months. Rows include UK, Ireland, Belgium, Netherlands, Canada, Portugal, Spain, Norway, France, Japan, Australia, New Zealand.

CURRENCY MOVEMENTS

Table showing currency movements for Sterling, Canadian dollar, Australian dollar, etc.

CURRENCY RATES

Table showing currency rates for Sterling, Canadian dollar, Australian dollar, etc.

OTHER CURRENCIES

Table showing other currency rates for Argentina, Brazil, etc.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies.

CHICAGO

Table showing Chicago market data for US Treasury bills, etc.

LONDON

Table showing London market data for three-month Eurodollar, etc.

EMERSON EUROPEAN CURRENCY UNIT RATES

Table showing Emerson European currency unit rates for various countries.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates for various currencies.

LONDON MONEY RATES

Table showing London money rates for various currencies.

MONEY MARKETS

Interest rates fell on the London money market yesterday, as sterling gained ground on the foreign exchanges...

STERLING INDEX

Table showing Sterling Index values for various dates and currencies.

MONEY RATES

Table showing money rates for various currencies.

NEW YORK RATES

Table showing New York rates for various currencies.

STERLING INDEX

Table showing Sterling Index values for various dates and currencies.

MONEY RATES

Table showing money rates for various currencies.

MIKUNI'S CREDIT RATINGS. Financial Information Service on Japanese Corporate Issuers. One day City workshop by London hospital psychologist Susan Le Poidevin...

Company Notices. DUMENIL LEBLE. INCREASE OF CAPITAL. In view of the successful nature of the operation...

Art Galleries. ZAMANA GALLERY. 1 Cromwell Gardens, London NW1. Exhibiting works by various artists...

CLASSIFIED ADVERTISEMENT RATES. From January 1, 1986. Commercial & Industrial Property 11.50, Residential Property 9.00...

£ WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on April 7, 1986. In some cases rates are nominal. Market rates are the average of buying and selling rates...

Large table showing exchange rates for various countries and currencies, including Afghanistan, Algeria, Angola, Argentina, etc.

LONDON SHARE SERVICE

BRITISH FUNDS. Table listing various fund names and their performance metrics, including 'Shorts (Lives up to Five Years)', 'Five to Fifteen Years', and 'Over Fifteen Years'.

AMERICANS—Cont. Table listing American stocks such as 3M, Alcoa, Am. Can., and others, with columns for price, volume, and other market data.

BUILDING, TIMBER, ROADS—Cont.

Table listing building, timber, and road stocks like Bovril, Brunner, and others.

ORAPERY & STORES—Cont.

Table listing clothing and store stocks like Ascham, Bazaar, and others.

ELECTRICALS

Table listing electrical industry stocks like British Thomson-Houston, etc.

CHEMICALS, PLASTICS

Table listing chemical and plastic stocks like ICI, British Oxygen, etc.

DRAPERY AND STORES

Table listing drapery and store stocks like Ascham, Bazaar, etc.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit stocks like Bass, Heidsieck, etc.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks like Bovril, Brunner, etc.

AMERICANS

Table listing American stocks like 3M, Alcoa, Am. Can., etc.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks like Bovril, Brunner, etc.

AMERICANS

Table listing American stocks like 3M, Alcoa, Am. Can., etc.

ENGINEERING—Continued and INDUSTRIALS—Continued. Large tables listing engineering and industrial stocks like British Thomson-Houston, etc.

Financial Times Tuesday April 8 1986

INDUSTRIALS - Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and change.

LEISURE - Continued

Table of leisure and entertainment stocks including British Telecom, British Gas, and various service companies.

PROPERTY - Continued

Table of property and real estate related stocks including various investment trusts and real estate companies.

INVESTMENT TRUSTS - Cont.

Table of investment trusts including various funds and trusts offering different asset classes.

FINANCE, LAND - Cont.

Table of finance and land-related stocks including banks, insurance companies, and land investment trusts.

INSURANCES

Table of insurance companies and their stock prices.

PROPERTY

Table of property investment trusts and real estate companies.

TRUSTS, FINANCE, LAND

Table of various trusts, finance, and land-related companies.

FINANCE, LAND - Cont.

Table of finance and land-related stocks, including banks and insurance.

MINES - Continued

Table of mining stocks including various metal and coal mining companies.

LEISURE

Table of leisure and entertainment stocks.

PROPERTY

Table of property investment trusts.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related companies.

FINANCE, LAND - Cont.

Table of finance and land-related stocks.

MINES - Continued

Table of mining stocks.

Notes and disclaimers regarding the data provided in the tables, including information about the source and accuracy of the data.

LONDON STOCK EXCHANGE

MARKET REPORT

Account Dealing Dates

*First Declara- Last Account Dealings (ions Dealings Day Mar 10 Mar 26 Mar 27 Apr 7 Apr 1 Apr 10 Apr 11 Apr 21 Apr 13 Apr 24 Apr 25 May 6 *Newman's may take place from 2.30 am two business days earlier.

The first trading session of the new financial year on London stock markets started with a widespread setback in equities as many small investors decided to take advantage of the all-time peaks established in share values.

Sentiment was generally undermined by the sustained fall on Wall Street—the Dow Jones Industrial Average fell a record 27.6 last Friday and recorded its lowest point in 10 years. The FT-SE 100 share index fell 20.5 points to 1400.9.

The broader based FT-SE share index registered a loss of 24.7 points prior to settling at 1400.9.

There were few signs of any institutional selling and, with most of the small offerings completed during the morning, a minor rally developed as a few cheap buyers appeared on the scene.

Meanwhile, the Financial Secretary continued to attract considerable attention. Standard Chartered featured again with a further rise of 73 to 757p, after 882p, as market speculators pursued their hopes on a higher offer from Lloyds Bank or a possible counter bid. Midland, an old takeover chestnut, also met with speculative demand and ended 15 to the good at 565p.

In contrast, other clearers were unsettled by the closure of the Mainland Savings Bank of Houston which had been hit by heavy losses on its lending to the troubled Texas real estate industry. Barclays and NatWest both fell around 20 to 327p and 880p respectively. Life insurance shares trended easier, sentiment here being disturbed by mounting concerns about the United Kingdom Prudential Institute's financial position.

However, weekend Press tips met with a ready response and provided a welcome relief to the generally drab background.

The agreed EMS realignment which is expected to pave the way for lower European interest rates—the Belgian rate has been reduced to 9 per cent yesterday—helped towards a revival in Government securities. Business was relatively light but quotations responded strongly to the trading in close with gains extending to 5 and occasionally more at the long end of the market.

Index-linked issues again moved ahead sharply as further demand flooded the market none too well supplied with stock. Weekend Press speculation

Equity markets fall on profit-taking Index 20 off at 1400.9

that Hambros could be a takeover target, particularly in the wake of the Hambros family's recent declaration that it is prepared to sell its controlling stake, led the share to touch a low peak of 275p before closing 30 higher on balance at 283p.

United Kingdom Prudential worries left Equity and Law 7 lower at 243p and Legal and General at 745p. Prudential relinquished 10 at 953p.

Vaux Breweries, a strong market recently on speculation about a bid from Pleasura, reacted to 490p prior to closing a net 40 down at 495p in the absence of any developments.

Among leading Breweries, Bass lost 17 at 483p and Allied-Lyons shed 8 to 300p. Galaness dipped to 243p before settling only 3 cheaper on balance at 348p; the group share sold to Air France for £31m.

Leading Buildings suffered a fairly sharp setback in the face of the small offerings, a particularly firm market recently reflecting a pending 4 per cent cement price increase, reacted 15 to 673p. Ruzzy Portland Cement had risen to 670p.

Among the occasional bright spots, the sector Wilson Connolly stood out with a gain of 15 at 425p following the good annual results and proposed 100 per cent scrip issue. Federated Housing added 3 to 100p in response to the chairman's confident statement at the annual meeting, while Helical Bar continued to attract buyers and gained 25 to 277p.

Woolworth edge higher

Hopes of an increased bid from Dixons a couple of days after prompted further support for Woolworths which put on 5 more to 905p, after 910p; Dixons ran back 10 to 395p.

Other leading stocks moved easier with gains extending to 5 and occasionally more at the long end of the market.

Index-linked issues again moved ahead sharply as further demand flooded the market none too well supplied with stock. Weekend Press speculation

FINANCIAL TIMES STOCK INDICES

Table with columns for Apr, Apr, Apr, April, April, Mar, year. Rows include Government Secs, Fixed Interest, Ordinary, Gold Mines, P.E. Ratio, Total Bargains, Equity Bargains, Shares traded, and Govt. Secs.

HIGHS AND LOWS S.E. ACTIVITY

Table with columns for High, Low, Since Compilat'n, Daily, and S.E. ACTIVITY. Rows include Govt. Secs, Fixed Int, Ordinary, and Gold Mines.

up 7 at 275p. Elsewhere, Citicredit's share price rose 10 to 240p, after 235p, following the annual results and details of a placing of first Mortgage Debenture stock to raise £35m aimed at reducing borrowing and financing further expansion.

Beecham good again

Beecham were again outstanding among otherwise quietly flat miscellaneous industrial leaders. Rising 20 to 400p, after 415p, amid mounting speculation about a possible bid from ICI, Beecham's share price rose 15 to 400p, after 385p, following profit-taking in the wake of the excellent results. Parkfield came on offer at 430p, down 30.

Elsewhere, press-inspired gains of around 11 were seen in Group 5, after 825p, after Street investment and Hestair, 152p, while Spang were a couple of pence dearer at 31p for a similar reason.

Week jumped 10 to 53p in anticipation of a placing of first Mortgage Debenture stock to raise £35m aimed at reducing borrowing and financing further expansion.

Others to draw strength from better balance at 78p, newspaper mentioning included Weilmann, 31 dealer at 311p, Richardson Westgarth, 9 up at 51p and Blackwood Hodge, 2 up at 51p, after 49p. Vague hints at a bid from E. Tomkins lifted Weir Group 5 further to 133p, while persistent demand left Peter-Hattersley 36 dearer at 435p.

Charming jumped 20 to 600p in a thin market and Ash and Lacy improved a few pence to 825p, after 810p, following profit-taking in the wake of the excellent results. LWT "A" rose 13 to 400p in sympathy.

Others to draw strength from better balance at 78p, newspaper mentioning included Weilmann, 31 dealer at 311p, Richardson Westgarth, 9 up at 51p and Blackwood Hodge, 2 up at 51p, after 49p. Vague hints at a bid from E. Tomkins lifted Weir Group 5 further to 133p, while persistent demand left Peter-Hattersley 36 dearer at 435p.

Charming jumped 20 to 600p in a thin market and Ash and Lacy improved a few pence to 825p, after 810p, following profit-taking in the wake of the excellent results. LWT "A" rose 13 to 400p in sympathy.

ties traded quietly and settled 2 off at 311p. Outside the Property leaders, Abaca, a firm market recently on speculation about a possible bid from ICI, Abaca's share price rose 15 to 500p, after 485p, following profit-taking in the wake of the excellent results. Parkfield came on offer at 430p, down 30.

Elsewhere, press-inspired gains of around 11 were seen in Group 5, after 825p, after Street investment and Hestair, 152p, while Spang were a couple of pence dearer at 31p for a similar reason.

Week jumped 10 to 53p in anticipation of a placing of first Mortgage Debenture stock to raise £35m aimed at reducing borrowing and financing further expansion.

Others to draw strength from better balance at 78p, newspaper mentioning included Weilmann, 31 dealer at 311p, Richardson Westgarth, 9 up at 51p and Blackwood Hodge, 2 up at 51p, after 49p. Vague hints at a bid from E. Tomkins lifted Weir Group 5 further to 133p, while persistent demand left Peter-Hattersley 36 dearer at 435p.

Charming jumped 20 to 600p in a thin market and Ash and Lacy improved a few pence to 825p, after 810p, following profit-taking in the wake of the excellent results. LWT "A" rose 13 to 400p in sympathy.

Others to draw strength from better balance at 78p, newspaper mentioning included Weilmann, 31 dealer at 311p, Richardson Westgarth, 9 up at 51p and Blackwood Hodge, 2 up at 51p, after 49p. Vague hints at a bid from E. Tomkins lifted Weir Group 5 further to 133p, while persistent demand left Peter-Hattersley 36 dearer at 435p.

Charming jumped 20 to 600p in a thin market and Ash and Lacy improved a few pence to 825p, after 810p, following profit-taking in the wake of the excellent results. LWT "A" rose 13 to 400p in sympathy.

Others to draw strength from better balance at 78p, newspaper mentioning included Weilmann, 31 dealer at 311p, Richardson Westgarth, 9 up at 51p and Blackwood Hodge, 2 up at 51p, after 49p. Vague hints at a bid from E. Tomkins lifted Weir Group 5 further to 133p, while persistent demand left Peter-Hattersley 36 dearer at 435p.

Charming jumped 20 to 600p in a thin market and Ash and Lacy improved a few pence to 825p, after 810p, following profit-taking in the wake of the excellent results. LWT "A" rose 13 to 400p in sympathy.

Others to draw strength from better balance at 78p, newspaper mentioning included Weilmann, 31 dealer at 311p, Richardson Westgarth, 9 up at 51p and Blackwood Hodge, 2 up at 51p, after 49p. Vague hints at a bid from E. Tomkins lifted Weir Group 5 further to 133p, while persistent demand left Peter-Hattersley 36 dearer at 435p.

RECENT ISSUES

EQUITIES

Table with columns for Stock, High, Low, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

FIXED INTEREST STOCKS

Table with columns for Stock, High, Low, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

RIGHTS OFFERS

Table with columns for Stock, High, Low, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

NEW HIGHS AND LOWS FOR 1986

Table with columns for Stock, High, Low, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

TRADITIONAL OPTIONS

Table with columns for Stock, High, Low, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

RISES AND FALLS YESTERDAY

Table with columns for Stock, High, Low, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for Index No., Day's Change, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

FRIDAY'S ACTIVE STOCKS

Table with columns for Stock, High, Low, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

YESTERDAY'S ACTIVE STOCKS

Table with columns for Stock, High, Low, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol., and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

FIXED INTEREST

Table with columns for Price, Index, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

FRIDAY'S ACTIVE STOCKS

Table with columns for Stock, High, Low, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

FRIDAY'S ACTIVE STOCKS

Table with columns for Stock, High, Low, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

YESTERDAY'S ACTIVE STOCKS

Table with columns for Stock, High, Low, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol., and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

FIXED INTEREST

Table with columns for Price, Index, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

FRIDAY'S ACTIVE STOCKS

Table with columns for Stock, High, Low, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

LONDON TRADED OPTIONS

Large table with columns for Option, Calls, Puts, and other details. Rows include Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca, Abaca.

WORLD STOCK MARKETS

Table of world stock markets including sections for AUSTRIA, GERMANY, NORWAY, AUSTRALIA (continued), JAPAN (continued), CANADA, and HONG KONG. Each section lists various stocks with their prices and changes.

Table of Canadian stock markets including sections for TORONTO and CANADA. Lists various Canadian stocks with their prices and changes.

Indices

Table of financial indices including sections for NEW YORK, SOUTH AFRICA, and EUROPE. Shows index values and changes for various regions.

OVER-THE-COUNTER Nasdaq national market, 2pm prices

Table of over-the-counter stock prices from the Nasdaq national market, listing various stocks and their current prices.

Table of New York active stocks, listing various stocks and their prices, along with a section for Toronto stock prices.

Advertisement for Financial Times in London, featuring a list of 'Rises' and 'Falls' in stock prices and contact information for subscriptions.

Advertisement for Financial Times in Madrid, featuring a map of Spain and contact information for subscriptions.

Advertisement for Financial Times in the Netherlands, offering a hand-delivered subscription service to Amsterdam/Delft/Eindhoven.

Advertisement for Financial Times in Madrid, offering a hand-delivered subscription service to various parts of Spain.

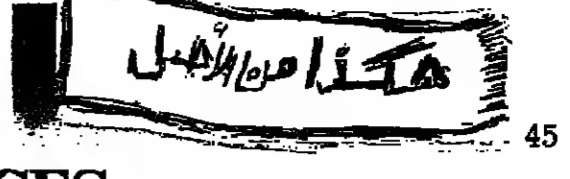
NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table of stock prices with columns for 12 Month High/Low, Stock Name, Price, and Change. Includes various sectors like Industrials, Chemicals, and Utilities.

Kidder, Peabody International Limited. International Investment Bankers. An affiliate of Kidder, Peabody & Co. Incorporated. Founded 1865. New York • London • Paris • Geneva • Zurich • Hong Kong • Tokyo.

Continuation of the stock price table from the previous page, listing various individual stocks and their market data.

Continued on Page 4



NYSE COMPOSITE PRICES

Continued from Page 44

Table of NYSE Composite Prices, columns include Stock, P, S, H, L, C, D, G, V, E, I, O, U, W, X, Y, Z.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices, columns include Stock, P, S, H, L, C, D, G, V, E, I, O, U, W, X, Y, Z.

Over-the-Counter Nasdaq national market, 2pm prices

Table of Over-the-Counter Nasdaq national market prices, columns include Stock, Sales, High, Low, Last, Change.

